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| In Re: Cengiz J. Comu | Debtor | § Case No. 09-38820 SGJ7 |
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| Cengiz J. Comu, et al | § | |
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| vs. | Appellant | § | 10-03269 |
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| King Louie Mining, LLC, et al | § |
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| Appellee | § |
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148 Judgment revoking discharge of debtor Entered 7/8/14

VOLUME 6

APPELLANT RECORD

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE: § CASE NO. 09-38820-SGJ-7
CENGIZ J. COMU, §
DEBTOR. § CHAPTER 7

KING LOUIE MINING, LLC, §
KING LOUIE ENTERPRISES, LLC, AND §
RONALD KATZ, §
Plaintiffs, §
v. § ADV. NO. 10-03269-s gj
CENGIZ J. COMU a/k/a CJ COMU, §
Defendant. §

DIANE G. REED, TRUSTEE, §
Intervenor, Co-plaintiff and §
Third-party Plaintiff, §
v. §
CENGIZ J. COMU, §
Defendant, §
and §
PHYLLIS E. COMU, §
BERNARD D. BROWN, §
THE BARCLAY GROUP, INC. AND §
SUNSET PACIFIC, L.P., §
Third-party Defendants. §

JX/DEx

APPELLANT'S FIRST AMENDED DESIGNATION
OF RECORD AND ISSUES ON APPEAL

**APPELLANT'S FIRST AMENDED DESIGNATION OF RECORD
AND ISSUES ON APPEAL**

TO THE HONORABLE JUDGE OF SAID COURT:

NOW COMES Cengiz J. Comu, Appellant, and files this his First Amended Designation of Record and Issues on Appeal for the Judgment entered July 8, 2014 [Document No. 148] as follows:

- I. Appellant designates the following documents from the docket sheet in Adversary Case No. 10-03269 for the Record on Appeal:

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| Filing Date | # | Docket Text |
|------------------|-----|--|
| 08/27/2014 | 164 | Notice of appeal . Fee Amount \$298 filed by Defendant Cengiz J. Comu (RE: related document(s) <u>148</u> Judgment: (A) Revoking discharge of debtor, pursuant to 11 U.S.C. 727(d); (B) Declaring certain property to be "Property of the Estate"; (C) Requiring turnover of certain property to the trustee; (D) Awarding monetary damages to trustee for the benefit of the estate; and (E) Separately awarding reasonable attorney's fees and expenses to plaintiffs Entered on 7/8/2014. (Related document(s) 20 Amended complaint filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz, 53 Intervenor complaint filed by Intervenor-Plaintiff Diane G. Reed)). Appellant Designation due by 9/10/2014. (Moroles, D.) |
| 07/08/2014 | 148 | Judgment: (A) Revoking discharge of debtor, pursuant to 11 U.S.C. 727(d); (B) Declaring certain property to be "Property of the Estate"; (C) Requiring turnover of certain property to the trustee; (D) Awarding monetary damages to trustee for the benefit of the estate; and (E) Separately awarding reasonable attorney's fees and expenses to plaintiffs Entered on 7/8/2014. (Related document(s) 20 Amended complaint filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz, 53 Intervenor complaint filed by Intervenor-Plaintiff Diane G. Reed) (Rielly, Bill). |
| 07/08/2014 | 147 | Findings of fact and conclusions of law in support of judgment: (A) Revoking discharge of debtor, pursuant to 11 U.S.C. 727(d); (B) Declaring certain property to be "Property of the Estate"; (C) Requiring turnover of certain property to the trustee; (D) Awarding monetary damages to trustee for the benefit of the estate; and (E) Separately awarding reasonable attorney's fees and expenses to plaintiffs Entered on 7/8/2014. (Rielly, Bill) |
| 09/09/2014 | | Docket Sheet |
| Vol. 2 000211 | 5 | Motion to dismiss adversary proceeding <i>Pursuant to Fed. Rules Civ. Proc. Rule 12(b)(6)</i> filed by Defendant Cengiz J. Comu (Olson, Dennis) |
| | 8 | Motion for leave to Amend filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC Objections due by 11/29/2010. (Attachments: <u>1</u> First Amended Complaint <u>2</u> Exhibit A3 Exhibit B4 Exhibit C) (Lippe, Emil) |
| | 9 | Response opposed to (related document(s): <u>5</u> Motion to dismiss adversary proceeding <i>Pursuant to Fed. Rules Civ. Proc. Rule 12(b)(6)</i> filed by Defendant Cengiz J. Comu) filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC. (Lippe, Emil) |
| | 10 | Order denying motion to dismiss adversary proceeding as moot (related document # <u>5</u>), granting motion for leave to amend complaint(related document # <u>8</u>) Entered on 1/10/2011. Case is removed from docket for week of January 11, 2011. Counsel ORDERED to confer and submit proposed amended scheduling order for the trial of this case, to be submitted within 10 days from date of this Order. (Mathews, M.) |
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| <i>Vol. 2</i> | 000275 | 01/20/2011 | 12 | Motion to dismiss adversary proceeding(<u>SECOND</u>) filed by Defendant Cengiz J. Comu (Olson, Dennis) |
| <i>000279</i> | | 02/11/2011 | 16 | Response opposed to (related document(s): <u>12</u> Motion to dismiss adversary proceeding(<u>SECOND</u>) filed by Defendant Cengiz J. Comu) filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC. (Lippe, Emil) |
| <i>000287</i> | | 02/24/2011 | 17 | Order conditionally denying second motion to dismiss adversary proceeding (related document # <u>12</u>) Entered on 2/24/2011. Plaintiffs are ORDERED to file amended complaint within 20 days of entry of this order. Defendant is ORDERED to file an answeror responsive pleading within 20 days of filing of the amended complaint. (Mathews, M.) |
| <i>000290</i> | | 03/02/2011 | 19 | Motion for leave to <i>Prosecute Action</i> filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC Objections due by 3/23/2011. (Lippe, Emil) |
| <i>000293</i> | | 03/02/2011 | 20 | Amended complaint by Emil Lippe Jr. on behalf of Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC against Cengiz J. Comu No change to nature of suit. (RE: related document(s) <u>1</u> Adversary case 10-03269. Complaint by King Louie Mining, LLC, King Louie Enterprises, LLC, Ronald Katz against Cengiz J. Comu. Fee Amount \$250. Nature. filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz). (Attachments: <u>1</u> Exhibit A <u>2</u> Exhibit B) (Lippe, Emil) |
| <i>000340</i> | | 03/23/2011 | 23 | Order denying motion for leave to prosecute action without prejudice (related document # <u>19</u>) Entered on 3/23/2011. (Simpson, B) |
| <i>000342</i> | | 03/24/2011 | 24 | Motion to dismiss adversary proceeding(<u>THIRD</u>) filed by Defendant Cengiz J. Comu (Olson, Dennis) |
| <i>000345</i> | | 04/19/2011 | 28 | Agreed Order granting <u>27</u> Motion to extend time to file response to motion to dismiss until 4/28/2011. Entered on 4/19/2011. (Simpson, B) |
| <i>000347</i> | | 04/28/2011 | 30 | Response opposed to (related document(s): <u>24</u> Motion to dismiss adversary proceeding(<u>THIRD</u>) filed by Defendant Cengiz J. Comu) filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC. (Lippe, Emil) |
| <i>000357</i> | | 05/04/2011 | 31 | Motion to continue hearing on (related documents <u>20</u> Amended complaint, <u>24</u> Motion to dismiss adversary proceeding)[<i>Unopposed</i>] filed by Interested Party Diane G. Reed, Trustee (Elmquist, David) |
| <i>000361</i> | | 05/06/2011 | 32 | Order granting motion to continue hearing on (related document # <u>31</u>) (related documents Motion to dismiss adversary proceeding(<u>THIRD</u>) and <u>20</u> Amended Complaint) Entered on 5/6/2011. Hearing to be held on 7/11/2011 at 10:30 AM Dallas Judge Jernigan Ctrm for <u>24</u> . Trial Docket Call date reset for 9/12/2011 at 01:30 PM at Dallas Judge Jernigan Ctrm. (Mathews, M.) Modified text on 5/6/2011 (Mathews, M.). |
| <i>000363</i> | | 07/06/2011 | 36 | Second Motion to continue hearing on (related documents <u>20</u> Amended complaint, <u>24</u> Motion to dismiss adversary proceeding)[<i>unopposed</i>] filed by Interested Party Diane G. Reed, Trustee (Elmquist, David) |

APPELLANT'S FIRST AMENDED DESIGNATION
 OF RECORD AND ISSUES ON APPEAL

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| | 07/08/2011 | 37 | Order granting second unopposed motion to continue hearing on (related document # <u>36</u>) (related documents Amended complaint, Motion to dismiss adversary proceeding(<u>THIRD</u>)) Entered on 7/8/2011. Hearing to be held on 9/15/2011 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>24</u> Third motion to dismiss and for Trial Docket Call date set for 12/12/2011 at 01:30 PM at Dallas Judge Jernigan Ctrm. Further conditions per Order. (Mathews, M.) |
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| | 08/24/2011 | 39 | Agreed Motion to Abate Adversary Proceeding (related document(s) <u>1</u> Complaint) Filed by Interested Party Diane G. Reed (Elmquist, David) Modified TEXT on 8/25/2011 (Blanco, J.). |
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| | 08/31/2011 | 40 | Agreed Order granting motion to abate adversary proceeding (related document # <u>39</u>) Entered on 8/31/2011. (Mathews, M.) |
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| | 05/24/2012 | 48 | Supplemental Order granting agreed motion to abate adversary proceeding including any hearing on the motion to dismiss, abated until August 1, 2012 further conditions per order (related document # <u>39</u> agreed motion to abate) Entered on 5/24/2012. (Moroles, D.) |
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| | 08/07/2012 | 50 | Order terminating abatement of adversary proceeding and requiring: (A) Trustee's Complaint in Intervention to be filed by August 31, 2012; and (B) parties to upload Agreed Scheduling Order, or in the alternative, Court will enter its own Scheduling Order (related document # <u>39</u>) Entered on 8/7/2012. Further details per Order. (Mathews, M.) |
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| | 09/05/2012 | 53 | Intervenor complaint by Diane G. Reed against Sunset Pacific, L.P., The Barclay Group, Inc., Bernard D Brown, Phyllis E Comu, Cengiz J. Comu..(Elmquist, David) |
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| | 09/06/2012 | 54 | Order granting Trustee's Unopposed Motion to Extend Deadline to File a Complaint in Intervention <u>52</u> Motion to extend time. Ordered that the deadline is hereby extended to September 5, 2012. Entered on 9/6/2012. (Tello, Chris) |
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| | 09/20/2012 | 59 | Agreed Scheduling Order Entered on 9/20/2012 (RE: related document(s) <u>20</u> Amended complaint filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz). Trial Docket Call date set for 7/8/2013 at 01:30 PM at Dallas Judge Jernigan Ctrm. Hearing on Defendant Cengiz J. Comu's Third Amended Motion to Dismiss Case is set for 10/31/2012 at 9:30 AM. (Mathews, M.) MODIFIED hearing dates on 9/21/2012 (Mathews, M.). |
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| | 09/28/2012 | 61 | Supplemental Response opposed to (related document(s): <u>24</u> Motion to dismiss adversary proceeding(<u>THIRD</u>) filed by Defendant Cengiz J. Comu) filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC. (Lippe, Emil) |
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| | 09/28/2012 | 62 | Amended complaint by Emil Lippe Jr. on behalf of Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC against Phyllis E. Comu, Regus Advisors, Inc., Marathon Management Limited Company, Daptco Trust, TKY Trust, The Barclay Group, Inc., Sunset Pacific, L.P., Bernard D Brown, Cengiz J. Comu Adding nature(s) of suit. (RE: related document(s) <u>1</u> Adversary case 10-03269. Complaint by King Louie Mining, LLC, King Louie Enterprises, LLC, Ronald Katz against |
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| <i>Vol. 2</i> | | Cengiz J. Comu. Fee Amount \$250. Nature(s) of suit: 41 (Objection / revocation of discharge - 727(c),(d),(e)). (Lippe, Emil) Modified text on 9/7/2010 (Luna, G). filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz. (Lippe, Emil) |
| <i>000429</i> | 10/09/2012 | 64 Answer to Intervenor complaint (Related document: 53 Intervenor complaint by Diane G. Reed against Sunset Pacific, L.P., The Barclay Group, Inc., Bernard D Brown, Phyllis E Comu, Cengiz J. Comu. (Elmquist, David) filed by Bernard D Brown, Cengiz J. Comu, Phyllis E. Comu, Sunset Pacific, L.P., The Barclay Group, Inc.. (Olson, Dennis) Modified text on 10/9/2012 (Tello, Chris). |
| <i>000433</i> | 10/09/2012 | 65 Reply to (related document(s): 30 Response filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz, 61 Response filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz) filed by Defendant Cengiz J. Comu. (Olson, Dennis) |
| <i>000437</i> | 10/26/2012 | 66 Motion to appear pro hac vice for David H. Wander. Fee Amount \$25 filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (Attachments: # 1 Exhibit) (Lippe, Emil) |
| <i>000441</i> | 10/29/2012 | 68 Motion for leave to File Third Amended Complaint and Brief in Support filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC Objections due by 11/23/2012. (Lippe, Emil) |
| <i>Vol. 3</i> | 10/30/2012 | 69 Motion for leave to File Surreply to Defendant's Response to Plaintiffs' Supplemental Response to Third Motion to Dismiss filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC Objections due by 11/23/2012. (Attachments: # 1 Exhibit A - Surreply# 2 Proposed Order) (Lippe, Emil) |
| <i>000451</i> | 10/31/2012 | 70 Order granting motion to appear pro hac vice adding David H. Wander for Ronald Katz and King Louie Mining, LLC (related document # 66) Entered on 10/31/2012. (Mathews, M.) |
| <i>000470</i> | 11/02/2012 | 71 Order denying Plaintiffs' motion for leave to file Third Amended Complaint (related document # 68) Entered on 11/2/2012. (Mathews, M.) |
| <i>000473</i> | 11/02/2012 | 72 Order denying Plaintiffs' motion for leave to File Surreply to Defendant's Response to Plaintiffs' Supplemental Response to Third Motion to Dismiss (related document # 69) Entered on 11/2/2012. (Mathews, M.) |
| <i>000475</i> | 11/14/2012 | 76 Order denying motion to dismiss adversary proceeding (related document # 24) Entered on 11/14/2012. (Mathews, M.) |
| <i>000477</i> | 12/07/2012 | 78 Answer to complaint (Second Amended) to Revoke Discharge filed by Cengiz J. Comu. (Olson, Dennis) |
| <i>000481</i> | 06/07/2013 | 88 Motion to substitute attorney Emil Lippe, Jr., Law Offices of Lippe & Associates with Shari L. Heyen, Kendyl T. Hanks and Charles P. Floyd, Greenberg Traurig, LLP and for Withdrawal of Attorney Emil Lippe, Jr., Law Offices of Lippe & Associates, filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (Heyen, Shari) |

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| 0004785 | 06/12/2013 | 89 | Agreed Motion to amend scheduling order. (related documents <u>4</u> Standing scheduling order in an adversary proceeding) filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (Attachments: # <u>1</u> Exhibit A - Proposed Agreed Scheduling Order) (Heyen, Shari) |
| | 06/21/2013 | 90 | Agreed order granting motion to amend scheduling order (related document # <u>89</u>) Trial Docket Call date set for 9/9/2013 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>20</u> , Entered on 6/21/2013. (Rielly, Bill) |
| | 06/21/2013 | 91 | Order granting motion to substitute attorney adding Shari L. Heyen for King Louie Mining, LLC; Ronald Katz and King Louie Enterprises, LLC, Kendyl T. Hanks for King Louie Mining, LLC; Ronald Katz and King Louie Enterprises, LLC, Charles P. Floyd for King Louie Mining, LLC; Ronald Katz and King Louie Enterprises, LLC, terminating Emil Lippe, Jr.. (related document # <u>88</u>) Entered on 6/21/2013. (Rielly, Bill) |
| 0004795 | 07/19/2013 | 94 | Motion to intervene filed by Intervenor-Plaintiff Lippe & Perry, P.C., d/b/a Law Offices of Lippe & Associates (Attachments: # <u>1</u> Exhibit # <u>2</u> Affidavit # <u>3</u> Exhibit 1 # <u>4</u> Exhibit 2 # <u>5</u> Proposed Order) (Lippe, Emil) |
| | 08/12/2013 | 96 | Response opposed to (related document(s): <u>94</u> Motion to intervene filed by Intervenor-Plaintiff Lippe & Perry, P.C., d/b/a Law Offices of Lippe & Associates) filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC. (Heyen, Shari) |
| 0004799 | 08/14/2013 | 97 | Reply to (related document(s): <u>96</u> Response filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz) filed by Intervenor-Plaintiff Lippe & Perry, P.C., d/b/a Law Offices of Lippe & Associates. (Attachments: # <u>1</u> Exhibit 1 # <u>2</u> Exhibit 2 # <u>3</u> Exhibit 3 # <u>4</u> Exhibit 4 # <u>5</u> Exhibit 5 # <u>6</u> Exhibit 6) (Lippe, Emil) |
| | 08/21/2013 | 98 | Order denying motion to intervene (related document # <u>94</u>) Entered on 8/21/2013. (Rielly, Bill) |
| 000502 | 08/23/2013 | 99 | Agreed Motion to amend scheduling order. (related documents <u>4</u> Standing scheduling order in an adversary proceeding) filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (Attachments: # <u>1</u> Exhibit A - Agreed Order to Amend Scheduling Order) (Heyen, Shari) |
| | 09/13/2013 | 101 | Agreed order granting motion to amend scheduling order (related document # <u>99</u>) Trial Docket Call date set for 12/9/2013 at 01:30 PM Dallas Judge Jernigan Ctrm for <u>20</u> , Entered on 9/13/2013. (Rielly, Bill) |
| 000539 | 11/25/2013 | 103 | Witness and Exhibit List for Trial, per Scheduling Order filed by Defendants Bernard D Brown, Cengiz J. Comu, Phyllis E Comu, Sunset Pacific, L.P., The Barclay Group, Inc. (RE: related document(s) <u>62</u> Amended complaint). (Olson, Dennis) |
| | 11/25/2013 | 104 | Motion to amend scheduling order. (related documents <u>4</u> Standing scheduling order in an adversary proceeding) filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (Attachments: # <u>1</u> Exhibit A - Proposed Order) (Heyen, Shari) |

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| 000630 | 11/27/2013 | 105 | Support/supplemental document (<i>Supplement to Plaintiffs' Motion for Continuance of Scheduling Order Deadlines and Trial</i>) filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (RE: related document(s) <u>104</u> Motion to amend scheduling order. (related documents <u>4</u> Standing scheduling order in an adversary proceeding)). (Heyen, Shari) |
| | 12/09/2013 | 106 | Agreed order granting motion to amend scheduling order (related document # <u>104</u>) Entered on 12/9/2013. Trial Docket Call date set for 3/3/2014 at 01:30 PM at Dallas Judge Jernigan Ctrm. (Rielly, Bill) |
| 000633 | 12/20/2013 | 108 | Motion for preliminary injunction (<i>expedited</i>) filed by Intervenor-Plaintiff Diane G. Reed (Elmquist, David) |
| 000637 | 12/20/2013 | 109 | Motion for expedited hearing (related documents <u>108</u> Motion for preliminary injunction) filed by Intervenor-Plaintiff Diane G. Reed (Elmquist, David) |
| 000647 | 12/20/2013 | 110 | Order granting ex parte motion for expedited hearing (Related Doc# <u>109</u>)(document set for hearing: <u>108</u> Motion for preliminary injunction) Entered on 12/20/2013. Hearing to be held on 12/23/2013 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>108</u> , (Rielly, Bill) |
| 000651 | 12/20/2013 | 111 | Agreed order granting motion for temporary restraining order (related document <u>108</u>) Entered on 12/20/2013. Preliminary injunction hearing to be held on 1/3/2014 at 09:30 AM Dallas Judge Jernigan Ctrm (Rielly, Bill) |
| 000653 | 01/03/2014 | 116 | Agreed Order Continuing Temporary Restraining Order (related document # <u>108</u>) Entered on 1/3/2014. (Jones, A.) |
| 000656 | 02/24/2014 | 118 | Amended Witness and Exhibit List filed by Defendants Bernard D Brown, Cengiz J. Comu, Phyllis E Comu, Sunset Pacific, L.P., The Barclay Group, Inc. (RE: related document(s) <u>103</u> List (witness/exhibit/generic)). (Olson, Dennis) |
| 000659 | 02/24/2014 | 119 | Witness and Exhibit List for <i>Trial</i> filed by Intervenor-Plaintiff Diane G. Reed (RE: related document(s) <u>62</u> Amended complaint). (Elmquist, David) |
| 000662 | 02/24/2014 | 120 | Witness and Exhibit List filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (RE: related document(s) <u>62</u> Amended complaint). (Heyen, Shari) |
| 000670 | 02/26/2014 | 121 | Stipulation by Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC and All Defendants, filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (RE: related document(s) <u>106</u> Order on motion to amend scheduling order). (Heyen, Shari) |
| | 03/03/2014 | 124 | Stipulation by Diane G. Reed and Plaintiffs and Defendants, filed by Intervenor-Plaintiff Diane G. Reed (RE: related document(s) <u>53</u> Intervenor complaint, <u>62</u> Amended complaint). (Elmquist, David) |
| 000726 | 03/03/2014 | 125 | Proposed findings of fact and conclusions of law filed by Intervenor-Plaintiff Diane G. Reed (RE: related document(s) <u>53</u> Intervenor complaint). (Elmquist, David) |
| 000729 | | | |

**APPELLANT'S FIRST AMENDED DESIGNATION
 OF RECORD AND ISSUES ON APPEAL**

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| <i>Vol. 4</i> | 03/04/2014 | 126 | Proposed findings of fact and conclusions of law filed by Defendants Bernard D Brown, Cengiz J. Comu, Phyllis E Comu, Sunset Pacific, L.P., The Barclay Group, Inc. (RE: related document(s)62 Amended complaint). (Olson, Dennis) |
| <i>000741</i> | 03/04/2014 | 127 | Proposed findings of fact and conclusions of law filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (RE: related document(s)62 Amended complaint). (Heyen, Shari) |
| <i>000746</i> | 03/05/2014 | 130 | Order setting trial Entered on 3/5/2014 (RE: related document(s)62 Amended complaint filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz). Trial date set for 3/17/2014 at 09:30 AM at Dallas Judge Jernigan Ctrm. (Rielly, Bill) |
| <i>000778</i> | 03/11/2014 | 132 | Amended Witness and Exhibit List <i>for Trial</i> filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (RE: related document(s)120 List (witness/exhibit/generic)). (Heyen, Shari) |
| <i>000780</i> | 03/13/2014 | 134 | Amended Witness and Exhibit List filed by Intervenor-Plaintiff Diane G. Reed (RE: related document(s)119 List (witness/exhibit/generic)). (Elmquist, David) |
| <i>000805</i> | 03/14/2014 | 135 | Amended Witness and Exhibit List <i>Second Amended</i> filed by Defendants Bernard D Brown, Cengiz J. Comu, Phyllis E Comu, Sunset Pacific, L.P., The Barclay Group, Inc. (RE: related document(s)118 List (witness/exhibit/generic)). (Olson, Dennis) |
| <i>000813</i> | 03/16/2014 | 137 | Amended Witness and Exhibit List (<i>Second</i>) filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (RE: related document(s)132 List (witness/exhibit/generic)). (Heyen, Shari) |
| <i>000816</i> | 03/17/2014 | 138 | First Amended Proposed Joint Pre-Trial order Entered on 3/17/2014. (Rebecek, B) |
| <i>000871</i> | 04/04/2014 | 142 | Extended temporary restraining order and mandatory injunction Entered on 4/4/2014. (Rielly, Bill) |
| <i>000878</i> | 04/23/2014 | 144 | Notice of <i>Trustee's Status Report of Compliance</i> filed by Intervenor-Plaintiff Diane G. Reed (RE: related document(s)142 Temporary restraining order). (Elmquist, David) |
| <i>000892</i> | 07/29/2014 | 161 | Motion to extend time to appeal - Rule 8002c (RE: related document(s)148 Judgment) Filed by Defendant Cengiz J. Comu (Blanco, J.) (Entered: 08/20/2014) |
| <i>000898</i> | 07/30/2014 | 153 | Application for compensation <i>Plaintiffs Preliminary Application for Attorneys' Fees and Expenses Awarded in the Court's July 8, 29014 Judgment</i> for Shari L. Heyen, Creditor's Attorney, Period: 10/26/2011 to 7/28/2014, Fee: \$946,504.90, Expenses: \$12,800.00. Filed by Attorney Shari L. Heyen (Heyen, Shari) |
| <i>000906</i> | 07/30/2014 | 154 | Motion to extend time to To Submit Affidavit and Evidence in Support of Application for Attorneys' Fees & Expenses Awarded in the Court's July 8, 2014 Judgment Filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (Heyen, Shari) |
| <i>000914</i> | 08/20/2014 | 162 | Order granting motion for leave to file notice of appeal out of time 161 |

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| <i>000916</i> <i>000919</i> | | Motion to extend time to appeal - Rule 8002c. Entered on 8/20/2014. (Rielly, Bill) |
| | 08/27/2014 | 165 Order granting motion to extend time to file application for attorney's fees and expenses <u>154</u> Motion to extend time. Entered on 8/27/2014. (Rielly, Bill) |
| | 08/29/2014 | 168 Notice regarding the record for a bankruptcy appeal to the U.S. District Court. (RE: related document(s) <u>164</u> Notice of appeal filed by Defendant Cengiz J. Comu) (Blanco, J.) |

II. Appellant also designates all exhibits admitted at trial, March 17 through March 21, 2014.

Not provided by Appellant

III. Appellant also designates the following transcripts:

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| | 11/09/2010 | 177 | Hearing held on 11/9/2010. (RE: related document(s) <u>5</u> Motion to dismiss adversary proceeding Pursuant to Fed. Rules Civ. Proc. Rule 12(b)(6) filed by Defendant Cengiz J. Comu filed by Defendant Cengiz J. Comu) APPEARANCES: D. Olson for Debtor; E. Lippe for Plaintiff. Nonevidentiary hearing. Announcement of an agreed order having been submitted that contemplates Plaintiff's agreement to file Amended Complaint with Debtor's reservation of right to re-urge motion to dismiss. Court will sign order. (Womack, Jennifer) (Entered: 11/12/2010) |
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000927

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| | 02/14/2011 | 178 | Hearing held on 2/14/2011. (RE: related document(s) <u>12</u> Motion to dismiss adversary proceeding(<u>SECOND</u>) filed by Defendant Cengiz J. Comu filed by Defendant Cengiz J. Comu) Appearances: D. Olsen for Defendant/Debtor; E. Lippe for Plaintiff. Nonevidentiary hearing. Motion denied, conditional on Plaintiff, within 20 days, amending Complaint again to provide more specificity regarding specific provisions of Section 727(d) being alleged, when acts were discovered and how, and addressing his standing, versus the Chapter 7 Trustees, to seek avoidance of alleged fraudulent transfers. If not amendment within 20 days, complaint will be dismissed. If amendment, then Defendant has 20 days thereafter to answer/respond. Counsel to submit order. (Harden, D.) (Entered: 02/18/2011) |
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000952

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| | 05/02/2012 | 179 | Status conference held (RE: related document(s) <u>20</u> Amended complaint) Appearances: E. Lippe and D. Wander (telephonically) for Plaintiffs; D. Elmquist for Trustee; D. Olson for Debtor. Nonevidentiary hearing. Based on statements of counsel, court will continue abatement through 8/1/12 and counsel shall contact courtroom deputy for another status conference the first week of August 2012. Counsel shall upload an order continuing abatement. (Davis, T.) (Entered: 05/14/2012) |
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000964

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| | 07/31/2012 | 180 | Hearing held on 7/31/2012. (RE: related document(s) <u>20</u> Amended complaint by Emil Lippe Jr. on behalf of Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC against Cengiz J. Comu No change to nature of suit. (RE: related document(s) <u>1</u> Adversary case 10-03269. Complaint by King Louie Mining, LLC, King Louie Enterprises, LLC, Ronald Katz against Cengiz J. Comu. Fee Amount \$250. Nature. filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz). (Attachments: <u>1</u> Exhibit A <u>2</u> Exhibit B) filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz) Appearances: D. Elmquist for Trustee; E. Lippe and D. Wander (telephonically) for Plaintiff; D. Olson for Debtor. Nonevidentiary status conference. Court heard reports regarding Rule 2004 examinations that have been ongoing and Trustees intention to file a Complaint in Intervention by 8/31/12. Court will enter Order terminating the abatement of this Adversary Proceeding and requiring: (a) Trustees Complaint in Intervention to be filed by 8/31/12; and (b) parties to upload Agreed Scheduling Order by 9/14/12 (inclusive of deadlines pertaining to the pending Rule 12(b)(6) |
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| | | | 000975 | | motion) or, in the alternative, court will enter its own Scheduling Order thereafter setting a January 2013 trial docket call and deadlines pertaining to the Rule 12(b)(6) motion. (Baird, Dennis) (Entered: 08/01/2012) | 10/31/2012 | | 181 | | |
| | | 001004 | | 08/15/2013 | 182 | | | Hearing held on 10/31/2012. (RE: related document(s)24 Motion to dismiss adversary proceeding(THIRD) filed by Defendant Cengiz J. Comu) Appearances: D. Olson for Movant/Defendant/Debtor; D. Elmquist for Trustee; E. Lippe and D. Wander (telephonically) for Plaintiff/King Louie Mining. Nonevidentiary hearing. Motion denied. Court also denied a pending Motion for Leave by Plaintiff/King Louie Mining to File Third Amended Complaint. Thus, Second Amended Complaint of King Louie Mining (Section 727 count only) and Complaint in Intervention of Trustee are now governing pleadings in this Adversary Proceeding. Mr. Lippe to upload orders on motion to dismiss and motion for leave. (Baird, Dennis) | | |
| 001035 | | 03/04/2014 | | 183 | | | | Hearing held on 8/15/2013. (RE: related document(s)94 Motion to intervene filed by Intervenor-Plaintiff Lippe & Perry, P.C., d/b/a Law Offices of Lippe & Associates (Attachments: # 1 Exhibit # 2 Affidavit # 3 Exhibit 1 # 4 Exhibit 2 # 5 Proposed Order)) Appearances: E. Lippe for his firm; K. Hanks and C. Floyd for Plaintiffs other than the Trustee; D. Elmquist for Trustee; R. Nicoud for Debtor. Nonevidentiary hearing. Motion denied. Ms. Hanks to upload order. (Harden, D.) (Entered: 08/21/2013) | | |
| 001052 | | 03/17/2014 | 184 | | | | | Pre-trial conference held on 3/4/2014. (RE: related document(s)62 Amended complaint by Emil Lippe Jr. on behalf of Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC against Phyllis E. Comu, Regus Advisors, Inc., Marathon Management Limited Company, Daptco Trust, TKY Trust, The Barclay Group, Inc., Sunset Pacific, L.P., Bernard D Brown, Cengiz J. Comu Adding nature(s) of suit. (RE: related document(s)1 Adversary case 10-03269. Complaint by King Louie Mining, LLC, King Louie Enterprises, LLC, Ronald Katz against Cengiz J. Comu. Fee Amount \$250. Nature(s) of suit: 41 (Objection / revocation of discharge - 727(c),(d),(e)). (Lippe, Emil) Modified text on 9/7/2010 (Luna, G). filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz.) Appearances: K. Hanks and V. Vital for Creditor/Plaintiffs; D. Elmquist for Intervenor/Plaintiff; D. Olson for Defendants. Nonevidentiary status conference. Court will issue order setting trial for March 17, 2014 at 9:30 am, continuing through March 21, 2014. Parties to upload final Pre-Trial Order by March 14, 2014. (Harden, D.) (Entered: 03/06/2014) | | |
| | | | | | | | | Trial held on 3/17/2014. (RE: related document(s)62 Amended complaint by Emil Lippe Jr. on behalf of Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC against Phyllis E. Comu, Regus Advisors, Inc., Marathon Management Limited Company, Daptco Trust, TKY Trust, The Barclay Group, Inc., Sunset Pacific, L.P., Bernard D Brown, Cengiz J. Comu Adding nature(s) of suit.) | | |

APPELLANT'S FIRST AMENDED DESIGNATION
 OF RECORD AND ISSUES ON APPEAL

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| | | <p>Appearances: K. Hanks, V. Vital and N. Sarokhanian for Plaintiffs; D. Elmquist for Trustee; D. Olson for Defendants. Evidentiary trial. Trial continued to 3/18/14 at 9:30 am. (Harden, D.) (Entered: 03/25/2014)</p> |
| 03/18/2014 | 185 | <p>Trial held on 3/18/2014. (RE: related document(s)62 Amended complaint by Emil Lippe Jr. on behalf of Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC against Phyllis E. Comu, Regus Advisors, Inc., Marathon Management Limited Company, Daptco Trust, TKY Trust, The Barclay Group, Inc., Sunset Pacific, L.P., Bernard D Brown, Cengiz J. Comu Adding nature(s) of suit.) Appearances: K. Hanks, V. Vital and N. Sarokhanian for Plaintiffs; D. Elmquist for Trustee; D. Olson for Defendants. Evidentiary trial. Trial continued to 3/19/14 at 9:30 am. (Harden, D.) (Entered: 03/25/2014)</p> |
| 03/19/2014 | 186 | <p>Trial held on 3/19/2014. (RE: related document(s)62 Amended complaint by Emil Lippe Jr. on behalf of Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC against Phyllis E. Comu, Regus Advisors, Inc., Marathon Management Limited Company, Daptco Trust, TKY Trust, The Barclay Group, Inc., Sunset Pacific, L.P., Bernard D Brown, Cengiz J. Comu Adding nature(s) of suit.) Appearances: K. Hanks, V. Vital and N. Sarokhanian for Plaintiffs; D. Elmquist for Trustee; D. Olson for Defendants. Evidentiary trial. Trial continued to 3/20/14 at 9:30 am. (Harden, D.) (Entered: 03/25/2014)</p> |
| 03/20/2014 | 187 | <p>Trial held on 3/20/2014. (RE: related document(s)62 Amended complaint by Emil Lippe Jr. on behalf of Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC against Phyllis E. Comu, Regus Advisors, Inc., Marathon Management Limited Company, Daptco Trust, TKY Trust, The Barclay Group, Inc., Sunset Pacific, L.P., Bernard D Brown, Cengiz J. Comu Adding nature(s) of suit.) Appearances: K. Hanks, V. Vital and N. Sarokhanian for Plaintiffs; D. Elmquist for Trustee; D. Olson for Defendants. Evidentiary trial. Trial continued to 3/21/14 at 9:30 am. (Harden, D.) (Entered: 03/25/2014)</p> |
| 03/21/2014 | 188 | <p>Trial held on 3/21/2014. (RE: related document(s)62 Amended complaint by Emil Lippe Jr. on behalf of Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC against Phyllis E. Comu, Regus Advisors, Inc., Marathon Management Limited Company, Daptco Trust, TKY Trust, The Barclay Group, Inc., Sunset Pacific, L.P., Bernard D Brown, Cengiz J. Comu Adding nature(s) of suit.) Appearances: K. Hanks, V. Vital and N. Sarokhanian for Plaintiffs; D. Elmquist for Trustee; D. Olson for Defendants. Evidentiary trial. Trial concluded. Court gave bench ruling: (a) revocation of discharge shall be ordered as to the Debtor, pursuant to Section 727(d)(1) & (2) of the Bankruptcy Code, based on fraud and concealment of assets of which Plaintiffs (and Trustee) were unaware until after the granting of discharge, and also based on Debtors acquiring or becoming entitled to acquire property that was or would be property of the estate and knowingly and fraudulently failing to report, deliver and surrender it to Trustee; (b) The Barclay Group, Inc. and Sunset Pacific are the alter</p> |

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| | <p>egos of Debtor and their veil should be pierced; (c) Debtor should turnover previously undisclosed Turkish Bank Account and the equity/asset-control of The Barclay Group, Inc. and Sunset Pacific to Trustee; (d) parties may submit post-trial briefing regarding possible monetary damages to the estate. Counsel will upload an amended restraining order and injunction, as soon as possible, to protect dissipation of Green Auto stock or other assets of The Barclay Group, Inc. and Sunset Pacific. Counsel will subsequently upload proposed Findings of Fact, Conclusions of Law and Judgment that are consistent with the courts oral ruling and otherwise consistent with the evidence. (Harden, D.) (Entered: 03/25/2014)</p> |
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IV. Appellant states the following Issues presented on Appeal:

1. The Bankruptcy Judge erred in revoking the Debtor's discharge.
2. The Bankruptcy Judge erred in finding that the Barclay Group and Sunset Pacific are the alter egos of the Debtor.
3. The Bankruptcy Judge erred in calculating the amount of the damages for which the Debtor was found to be liable.

[Signature on following page]

Respectfully submitted,

Cengiz J. Comu
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Dallas, Texas 75254
(972) 965-2545 – Telephone
Email: cjcomu@gmail.com

By:

Cengiz J. Comu
Pro Se

CERTIFICATE OF SERVICE

I hereby certify that on the 11 day of September, 2014, a true and correct copy of the foregoing document was sent via electronic means or by first class mail, postage prepaid to the persons shown below:

Kendyl T. Hanks
Greenberg Traurig, LLP
300 West 6th Street, Suite 2050
Austin, Texas 78701

David W. Elmquist
Reed & Elmquist, P.C.
501 N. College Street
Waxahachie, Texas 75165

By:

Cengiz J. Comu

1 "A. Okay.

2 "Q. In Dahl 1, we saw that at the end of
3 the tax year there was a stated investment of \$103,180.

4 "A. Uh-huh.

5 "Q. But in Dahl 2, I'm not seeing that
6 figure at the beginning of the tax year.

7 "A. Reason for that is that 2005 I had one
8 software -- I had a software package with an old
9 dos-based program. And I could go ahead and put this
10 information in there. Okay. When you go to 2006, these
11 people had gone out of business. And I had to change to
12 a new software provider. They were a little more up to
13 date. And when you go in and you look at the questions
14 that are answered in here number -- number five.

15 "Q. Which page are we on?

16 "A. There on Page 3, I think -- 2, Page 2,
17 question five under Schedule B.

18 "Q. Okay. Open quote, Schedule B, other
19 information, end quote?

20 "A. Yes.

21 "Q. Number five in that section?

22 "A. Yes. Okay."

23 MR. VITAL: Or where are we?

24 MR. SAROKHANIAN: Line 22, Page 15.

25 MR. VITAL: Oh, okay. Sorry.

1 "A. Five A, the partnership total receipt
2 for the tax year were less than \$250,000.

3 "Q. Uh-huh.

4 "A. B, total assets were less than
5 \$600,000.

6 "Q. Okay.

7 "A. In that case you don't have to
8 prepare --

9 "Q. The balance sheet?

10 "A. -- the balance sheet.

11 "Q. Okay.

12 "A. Therefore I didn't.

13 "Q. Take a look at, in Dahl 2 the K-1s --
14 okay. Before we get to that, let me go back to Dahl 1
15 for a moment, the K-1s there.

16 "A. Okay.

17 "Q. The return you're preparing here is for
18 a limited partnership, right, Sunset, Sunset Pacific,
19 LP?

20 "A. Yeah.

21 "Q. This is a --

22 "A. It's a partnership return.

23 "Q. Partnership return. It's a 1065 --

24 "A. Yeah.

25 "Q. Which is a partnership return.

1 "A. Yes.

2 "Q. And do you have -- do you prepare
3 partnership business, partnership returns for other
4 clients?

5 "A. Yes.

6 "Q. Okay. So you're familiar with the
7 structures of limited partnerships generally --

8 "A. Yes.

9 "Q. -- in terms of ownership.

10 "A. Yes.

11 "Q. Okay. And you understand that
12 typically a limited partnership would consist of one or
13 more limited partners and a general partner?

14 "A. Right.

15 "Q. And that the limited partners and a
16 general partner together would comprise 100 percent of
17 the ownership.

18 "A. Right.

19 "Q. Is it also the case that a limited
20 partnership can't exist without a general partner, there
21 has to be a general partner and a limited partner, are
22 you aware of that?

23 "A. I think that's true -- I'm not -- I
24 wouldn't make --

25 "Q. Not 100 percent on that?

1 "A. Yeah, not 100 percent on that.

2 "Q. All right. The reason I ask those
3 questions, I note in the -- in the Dahl 1 return there's
4 two K-1s, one being for Mr. Comu with a 55 -- excuse me
5 -- a 50 percent ownership interest in Bellville
6 settlement with 50 percent LP interest, but there's
7 nothing here for general partner.

8 "A. In --

9 "Q. In Dahl 1.

10 "A. In Dahl 1.

11 "Q. Dahl 1 you see there's 50 percent for
12 Mr. Comu?

13 "A. Uh-huh.

14 "Q. And 50 percent for Bellville
15 settlement, that equals 100 percent.

16 "A. Right.

17 "Q. My question is: Where is the ownership
18 interest reflected for the general partner?

19 "A. Well, both of them are reflected as
20 general partners. If you look there on Item H, there's
21 a check says there's an X for general partner.

22 "Q. Okay. So there's two general partners
23 and no limited partner?

24 "A. Right.

25 "Q. But this is supposed to be a limited

1 partnership.

2 "A. Well, okay, I understand.

3 "Q. Okay. So I guess my question is: In
4 filling out K-1s, are you relying upon information that
5 you obtained or are you relying on information that
6 Mr. Comu provided?

7 "A. I'm relying on information basically
8 that he provided and I probably made a mistake and
9 checked the wrong box.

10 "Q. Okay. So you think that one of these
11 is probably incorrectly noted as a general partner,
12 should have been noted as limited partner?

13 "A. Right, the form partner should also
14 have been -- should have also been -- should have been a
15 limited partner.

16 "Q. Okay.

17 "A. I perhaps made a mistake on that.

18 "Q. Well, do you know that Bellville
19 Settlement LP was a limited partner and not a general
20 partner --

21 "A. Yes.

22 "Q. --- of Sunset?

23 "A. I think that's correct, yes.

24 "Q. How do you know that?

25 "A. I think that would be based on what

1 C.J. told me at the time.

2 "Q. Okay. And you have a recollection of
3 that discussion?

4 "A. Not -- not really.

5 "Q. Okay.

6 "A. I'm just -- I'm assuming that at this
7 point in time.

8 "Q. All right. Now let's go back to Dahl 2
9 and the K-1s there.

10 "A. 2006?

11 "Q. Yes, sir, the 2006 return.

12 "A. Okay.

13 "Q. Which is marked as Dahl 2.

14 "A. Okay.

15 "Q. And I'm looking at the K-1.

16 "A. Okay.

17 "Q. And you will note that there are three
18 K-1s attached to this return.

19 "A. Yes.

20 "Q. And now we have Mr. Comu with a one
21 percent interest, his wife with a 98 percent interest
22 and Marathon Management, LLC -- let me start over.

23 "Q. We have Mr. Comu with a one percent
24 limited partnership interest; Mrs. Comu with a
25 98 percent limited partnership interest, equalling

1 99 percent; and then a one percent GP interest held by
2 Marathon Management, LLC. Do you see that?

3 "A. Yes.

4 "Q. Again, what information would you be
5 provided to mark these or complete these K-1s for
6 purposes of showing these ownership interests.

7 "A. Well, if you will look on the next page
8 schedule, schedule of transfers --

9 "Q. Uh-huh.

10 "A -- that was provided to me.

11 "Q. What was provided to you?

12 "A. The information on that page, I
13 prepared it to show the IRS where the change was.

14 "Q. Let me show you a document that was
15 introduced in Mr. Comu's examination. Take a look at
16 this document, see if this looks at all familiar to you.
17 This would be Comu Exhibit 3, for the record.

18 "A. Uh-huh, I'm familiar with the part
19 where it matches here. I don't remember the Comal --
20 the Coral Group.

21 "Q. Okay. All right. That document in
22 terms of what it reflects as to the ownership before and
23 after the transfer is not consistent with the return,
24 correct?

25 "A. Well, the portion --

1 "Q. Let me be more precise.

2 "A. Yeah, I'm not sure I understand what
3 you're saying.

4 "Q. Okay. In the return you show the pre
5 -- the owner that held a 50 percent interest prior to
6 this change in ownership that occurred apparently in
7 2006 to have been Bellville Settlement, LP owning a
8 50 percent interest, correct?

9 "A. Yes.

10 "Q. And there's no mention in Comu Number 3
11 of Bellville Settlement, correct?

12 "A. Correct.

13 "Q. And based on that document it appears
14 that the interests were transferred to Mrs. Comu came
15 from something called Coral Group, not Bellville
16 Settlement, correct?

17 "A. That's what this indicates, yes.

18 "Q. So in that respect that document is not
19 consistent with the return?

20 "A. That's true.

21 "Q. Okay. And do you recall seeing Comu 3
22 before?

23 "A. No.

24 "Q. Do you think you saw a document at the
25 time that Dahl Number 2 was prepared that reflected

1 transfer of interest by Bellville Settlement to
2 Mrs. Comu?

3 "A. I don't recall.

4 "Q. Let me ask you this: In terms of the
5 documents you were provided in preparing returns, do you
6 retain copies of those documents?

7 "A. Normally no. I give them back to the
8 client.

9 "Q. So at this point you don't have any of
10 the documents that you may have been provided by
11 Mr. Comu to prepare any returns you prepared for him?

12 "A. No."

13 MR. SAROKHANIAN: Now, Your Honor, we're
14 going to be returning to Trustee Exhibit Number 32.

15 THE COURT: Okay.

16 "Q. Okay. Mr. Dahl, take a look at Dahl 3
17 and confirm that this is a copy of a tax return you
18 prepared for Sunset Pacific for the 2007 tax year.

19 "A. Yes.

20 "Q. The date on this return is -- shows a
21 date of February 22, 2010. And there appears to be a
22 note written at the bottom, quote, reprinted
23 February 22, 2010, end quote. Do you see that?

24 "A. Yes.

25 "Q. And are those your initials?

1 "A. Yes.

2 "Q. Okay. So does this indicate that this
3 was a copy of the return that you printed off of your
4 electronic system on February 22, 2010?

5 "A. Yes.

6 "Q. Do you know why it was printed at that
7 time?

8 "A. I think we had to -- I think we had to
9 print some for the trustee.

10 "Q. Okay."

11 Mr. Olson: "Off the record".

12 (Discussion off the record.)

13 Mr. Olson: "Back on."

14 By Mr. Elmquist:

15 "Q. Okay. Let's look at the balance sheet
16 on Page 4. This balance sheet is showing at the
17 beginning of the tax year cash in the amount of
18 \$277,750, right?

19 "A. It's what it looks like, yeah.

20 "Q. What information would you get from
21 Mr. Comu to reflect that sum as cash held by Sunset
22 Pacific?

23 "A. Basically probably I think there was an
24 annuity at that point and there was also a -- some cash
25 that was loaned to another company.

1 "Q. Why do you say there was an annuity; is
2 that reflected in the return somewhere?

3 "A. Yeah, there's an overflow statement.

4 "Q. If the annuity was purchased in
5 December 2006, I guess even with that purchase, that
6 would still be below the requirements for --

7 "A. Yeah.

8 "Q -- showing it in a balance sheet, right?

9 "A. Yeah.

10 "Q. Okay. All right. Something I will
11 just mention, the returns for 2005 and 2006 and 2007
12 show no income, correct?

13 "A. I have to look and see. I don't --

14 "Q. Isn't income supposed to be reflected
15 in the first portion of the return under, quote, income,
16 end quote?

17 "A. Not necessarily. Interest income comes
18 on Lines 5 and 6 under partners distributive share
19 items. So that would be about the only income.

20 "Q. I'm sorry. What page are you looking
21 at?

22 "A. Page 3.

23 "Q. Okay.

24 "A. Those are past due amounts so --

25 "Q. Meaning the partnership receives it and

1 passes it through to the partners.

2 "A. Yeah.

3 "Q. Let's go off the record for a second."

4 "(Discussion off the record.)"

5 MR. SAROKHANIAN: And then, Your Honor,
6 they're going to be referring to Trustee's Exhibit
7 Number 33.

8 THE COURT: Okay.

9 "Q. Mr. Dahl, I've just handed you what's
10 been marked as Dahl 4. Can you take a look at that
11 document and confirm that this is the tax return you
12 prepared for Sunset Pacific?

13 "A. Yes, sir.

14 "Q. For the 2008 tax year.

15 "A. Yes.

16 "Q. Okay. And this, again, shows it was
17 reprinted on February 22, 2010?

18 "A. Right."

19 MR. SAROKHANIAN: Now, Your Honor, they're
20 referring to Trustee's Exhibit 34.

21 THE COURT: Okay.

22 "Q. All right. Take a look at Dahl 5, if
23 you would, and tell me if you can confirm that this is
24 the return you prepared for 2009 tax year for Sunset
25 Pacific.

1 "A. This appears to be, yes, I think so.

2 "Q. Okay. In the 2008 return we had the
3 assets of Sunset Pacific but not in 2009. Is there a
4 reason you chose to omit them?

5 "A. Only the one we described earlier, I
6 don't know why I put them in there on '8.

7 "Q. Okay. But again, because the assets
8 were less than \$600,000, there was -- there's no
9 requirement to do so?

10 "A. Right.

11 "Q. And the partnership did not have
12 \$250,000 of income?

13 "A. Right.

14 "Q. On Dahl 5, there's date here of
15 April 18, 2011. Would that indicate, again, the date it
16 was printed?

17 "A. That was the date of the return, if I'm
18 not mistaken. I think that '09 and '10 were prepared at
19 the same time.

20 "Q. Okay.

21 "A. I think -- I think '09 was skipped in
22 the year and '10 didn't get prepared.

23 "Q. Do you know why that was?

24 "A. I think it just -- I think it just had
25 to do with all the activity with the bankruptcy, C.J.

1 didn't bring the information in. That's my -- that's my
2 guess, off the top of my head.

3 "Q. Okay.

4 "A. Because I know we did two years of
5 everything at one time.

6 "Q. When you have a regular client like
7 Mr. Comu, do you typically send any kind of reminders to
8 the client about returns that need to be prepared?

9 "A. I think people should know if their
10 taxes are due, and I typically don't send them a
11 reminder.

12 "Q. Okay. So you feel it's up to them to
13 get you --

14 "A. Yeah.

15 "Q. -- information timely?

16 "A. Yeah."

17 MR. SAROKHANIAN: Your Honor, they're going
18 to be referring to Trustee's 35 -- 35.

19 THE COURT: Okay.

20 "Q. Mr. Dahl, can you confirm that Dahl 6
21 is the return you prepared for Sunset Pacific for the
22 2010 tax year?

23 "A. Yes.

24 "Q. And this return was prepared on the
25 date you indicated, April 20th, 2011?

1 "A. It was printed on that date, so it was
2 -- there were several returns. It took two or three
3 days to get them done, among other business, yeah.

4 "Q. Okay. But the date that's shown here
5 on Exhibit 6 is the date you printed it for purposes of
6 sending it to the client?

7 "A. Yes.

8 "Q. Is that also true with respect to Dahl
9 5?

10 "A. Yes. In other words, if I have six
11 returns for the client and it takes two days, as I
12 finish them, I print them. They go in the stack and
13 when I'm through, they may have different dates on them.

14 "Q. Understood."

15 MR. SAROKHANIAN: Now, Your Honor, they're
16 referring to Trustee's 36 -- 3-6.

17 THE COURT: Okay.

18 "Q. Okay. I have handed you what has been
19 marked as Dahl 7. Can you confirm that this is the -- a
20 copy of the 2011 tax return you prepared for Sunset
21 Pacific?

22 "A. Yes.

23 "Q. Take a look at form 8825, please.

24 "A. Uh-huh.

25 "Q. This return is showing, I believe for

1 the first time, an interest in real estate. Do you see
2 that?

3 "A. Yes.

4 "Q. What does this form 8825 reflect as it
5 relates to Sunset Pacific and the property shown here at
6 5301 Palladium Drive?

7 "A. It's shown -- it reflects that the
8 partnership owns this real estate and reflects the
9 income and expenses, the rental income and expenses.

10 "Q. Since the return doesn't show -- since
11 the 2010 return doesn't show ownership of that property,
12 is it your understanding that the property was acquired
13 sometime in the 2011 tax year?

14 "A. Yes.

15 "Q. Do you recall seeing a deed conveying
16 it to Sunset Pacific?

17 "A. No.

18 "Q. And so how did you know to put this
19 information on the return?

20 "A. When C.J. brought the information in,
21 he brought in the information that was the rental
22 property.

23 "Q. Okay. Did he also bring you
24 information regarding gross rents that were reflected?

25 "A. Yes.

1 "Q. In this 8825?

2 "A. Yeah.

3 "Q. And also the expenses shown?

4 "A. Yes.

5 "Q. Do you know anything about the
6 ownership of 5301 Palladium Drive prior to it being
7 acquired by Sunset Pacific?

8 "A. No.

9 "Q. Take a look at form 4562 in Exhibit 7,
10 please. That's three pages from the back. Do you see
11 there's a reference here line H, quote, residential
12 rental property, end quote?

13 "A. Uh-huh.

14 "Q. Month and year, place and services
15 January 2011; is that right?

16 "A. Yeah.

17 "Q. Does that refer to the Palladium Drive
18 property?

19 "A. Yes.

20 "Q. And does the basis for depreciation of
21 \$200,000 also refer to the Palladium Drive property?

22 "A. Yes.

23 "Q. Do you know how the \$200,000 figure was
24 determined?

25 "A. No.

1 "Q. Is that a number that Mr. Comu
2 provided? You need to speak up a just a little bit
3 because she's --

4 "A. Okay. I'm sorry.

5 "Q. That's okay. I've got Mr. Comu's
6 individual returns here, and rather than go through the
7 exercise we just went through with Sunset Pacific, I
8 want to see if we can't address these globally. I have
9 returns for the years 2005 through 2011. Can you
10 confirm that you prepared returns for each of those
11 years for the Comus?

12 "A. Yes, I did.

13 "Q. Okay. And in connection with the
14 preparation of those returns, who did you deal with
15 for --

16 "A. C.J.

17 "Q. Exclusively Mr. Comu?

18 "A. Yes.

19 "Q. Not Phyllis?

20 "A. I don't know a Phillip.

21 "Q. Phyllis, his wife.

22 "A. Oh, Phyllis?

23 "Q. Yeah.

24 "A. No, no. Just C.J. I'm sorry. I
25 thought you said Phillip.

1 "Q. All right. I also have returns here
2 for the years 2006 through 2011, for Marathon
3 Management, LLC. Can you confirm that you prepared
4 returns --

5 "A. Yes.

6 "Q. -- for that entity for those years?

7 "A. Yes.

8 "Q. And who did you deal with in connection
9 with preparation of these returns on behalf of Marathon
10 Management?

11 "A. Well, Marathon Management basically was
12 prepared based on one percent ownership in Sunset
13 Pacific. So I dealt with that myself primarily because
14 there was no other income for it.

15 "Q. Okay. So your understanding of
16 Marathon Management business is that it is strictly one
17 percent general partner --

18 "A. Yes.

19 "Q. -- of Sunset Pacific?

20 "A. Yes.

21 "Q. It has no other business?

22 "A. To my knowledge, it has none.

23 "Q. And that's based on what Mr. Comu told
24 you?

25 "A. Yes. Yes.

1 "Q. Well, in connection with the
2 preparation of Marathon Management returns, you would
3 prepare these for Mr. Comu's signature, correct?

4 "A. Right.

5 "Q. Because he was the member manager of
6 Marathon Management.

7 "A. Yes.

8 "Q. Is that right?

9 "A. Yes.

10 "Q. And there's no one else you dealt with
11 with respect to Marathon Management other than Mr. Comu
12 in preparation of Marathon Management returns?

13 "A. That's correct.

14 "Q. I have returns here for 2010 and 2011
15 for Regus Advisors, Inc., are you familiar with that
16 entity?

17 "A. Yes. Yes, sir.

18 "Q. And did you prepare federal income tax
19 returns for that entity for those years?

20 "A. Yes, sir.

21 "Q. And did you work with Mr. Comu in the
22 preparation of those returns?

23 "A. Yes, sir.

24 "Q. Did you work with anyone else?

25 "A. Someone else prepared an income

1 statement and balance sheet for that company, but C.J.
2 brought it in.

3 "Q. Do you know --

4 "A. But I didn't deal with anybody else.

5 "Q. Okay. But your recollection of the
6 income statement and balance sheet for Regus Advisors
7 was prepared by someone other than Mr. Comu?

8 "A. Yes.

9 "Q. What was that based upon?

10 "A. I don't think C.J. has the ability to
11 prepare an income statement and balance sheet.

12 "Q. Okay.

13 "A. He has someone that worked -- that
14 worked with him that prepared it.

15 "Q. All right. But you -- you had no
16 direct contact with that person?

17 "A. No, I did not.

18 "Q. And, again, in preparing the Regus
19 Advisors tax return, whatever information you were
20 supplied relating to the preparation of the return, you
21 returned back to Mr. Comu?

22 "A. Yes.

23 "Q. So you have no work papers?

24 "A. Right. These are not complex returns
25 that require a lot of work.

1 "Q. I understand. Okay. The last entity I
2 want to ask you about is Barclay Group, Inc. I have
3 returns here for the years 2006 through 2011. Can you
4 confirm that you prepared the returns --

5 "A. Yes, sir.

6 "Q. -- of Barclay -- I need to finish -- for
7 Barclay Group, Inc., for those years?

8 "A. Yes, sir.

9 "Q. Okay. Who did you deal with on behalf
10 of Barclay Group in preparation of these returns?

11 "A. C.J.

12 "A. Anyone else?

13 "A. No.

14 "Q. Were you provided balance sheets and
15 income statements for this entity?

16 "A. For the last -- for 2012, yes, sir.

17 "Q. 2011, you mean?

18 "A. Yeah, I'm sorry, 2011.

19 "Q. How about for earlier years?

20 "A. Earlier years there was not that much.

21 "Q. Let me show you a 2010.

22 "A. Okay.

23 "Q. Let me start with 2009."

24 MR. SAROKHANIAN: And, Your Honor, they're
25 referring to Trustee 17.

1 THE COURT: Okay.

2 "Q. Okay. I have handed you what's been
3 marked Dahl Number 8. Take a look at that, Mr. Dahl,
4 and tell me if you can confirm this is the return you
5 prepared for the 2009 tax year for The Barclay Group.

6 "A. Yes, sir.

7 "Q. Okay. This return does show income,
8 correct?

9 "A. Yes, sir.

10 "Q. And if you look at page -- well, look
11 at the supporting statements. It's the fourth page from
12 the back.

13 "A. Yeah.

14 "Q. Do you see there's a reference to
15 consulting?

16 "A. Uh-huh.

17 "Q. Is that part of the income reflected in
18 the, quote, income, end quote, line on the first page?

19 "A. I would say it's expense -- that's an
20 expense.

21 "Q. Oh, that's an expense.

22 "A. Yeah.

23 "Q. Okay. Where is -- where is there a
24 breakdown or is there a breakdown of the source of the
25 income?

1 "A. There's not a breakdown of the source.

2 "Q. So do you recall what kind of
3 information you were provided to set forth this figure
4 as the amount of income received?

5 "A. Probably a QuickBooks statement or
6 something like that. Nothing -- nothing real fancy.

7 "Q. Okay. And did Mr. Comu provide that?

8 "A. Yes.

9 "Q. Did you discuss any of the information
10 set forth on the 2009 tax return for Barclay Group other
11 than Mr. Comu?

12 "A. No, not really, just went over the
13 information and prepared the return.

14 "Q. Are you familiar with an individual by
15 the name of Bernard Brown?

16 "A. No.

17 "Q. And I think you already testified that
18 you are not familiar with a David Parsley?

19 "A. No."

20 By Mr. Olson: "You have to answer audibly.
21 She can't take down the nodding."

22 "A. Oh, I'm sorry."

23 Mr. Elmquist: "He did, but it wasn't real
24 audible."

25 "A. I have one other problem since this

1 has -- my voice comes and goes.

2 "Q. Yeah, I understand. You know, if you
3 need to take a break at any point --

4 "A. No, I'm fine. I just as soon get it
5 over with.

6 "Q. Yeah, I understand. We're getting
7 close to being done."

8 MR. SAROKHANIAN: And, Your Honor, now
9 they're referring to Trustee Number 9.

10 MR. OLSON: Sorry. 9?

11 MR. SAROKHANIAN: Yes, sir. 9.

12 "Q. Okay. Mr. Dahl, take a look at Dahl 9
13 and confirm for me that this is a copy of the return you
14 prepared for Barclay Group for 2010 tax year.

15 "A. Yes, sir.

16 "Q. This return is a showing" --

17 THE COURT: Okay. We're on the wrong
18 exhibit.

19 UNIDENTIFIED SPEAKER: Trustee 9 is the
20 certificate.

21 THE COURT: Trustee 9 is -- yeah.

22 MS. HANKS: That's because I wrote the same
23 exhibit number as the (inaudible).

24 MR. OLSON: Look around 17.

25 MR. SAROKHANIAN: If it's 2010, it would be

1 Exhibit 18.

2 MS. HANKS: I apologize, Your Honor.

3 That's dyslexic slip.

4 THE COURT: No problem. Trustee

5 Exhibit 18, correct?

6 MR. SAROKHANIAN: I believe that's the one
7 we're talking about.

8 MS. HANKS: Is it a 2010 exam (sic) -- yes.

9 MR. SAROKHANIAN: Yes, 2010 return. So,
10 Your Honor, you're saying that's Trustee 19?

11 THE COURT: 18.

12 MR. SAROKHANIAN: 18. Great. Okay.

13 "Q. Okay. Mr. Dahl, take a look at Dahl 9
14 and confirm for me this is a copy of the return you
15 prepared for Barclay Group for 2010 tax year.

16 "A. Yes, sir.

17 "Q. This return is showing a good amount
18 of income, correct?

19 "A. Yes.

20 "Q. Over about \$2 million -- well,
21 \$2,366,775 of income, right?

22 "A. Yes, sir.

23 "Q. And it's also showing expenses or
24 deductions of \$2,324,571, right, on the 27th line.

25 "A. Yes, sir.

1 "Q. Of the return?

2 "A. Yes, sir.

3 "Q. Okay. And you have backup for that out
4 of federal -- federal supporting statements, correct?

5 "A. Yes, sir.

6 "Q. It shows a consulting expense of
7 \$2,137,733, do you see that?

8 "A. Uh-huh.

9 "Q. Do you recall what information or
10 documents you were provided to come up with that figure?

11 "A. No, I don't recall. I'm sure I had a
12 document, but I don't recall what it was.

13 "Q. And whatever document you were
14 provided, Mr. Comu provided; is that right?

15 "A. Yes, sir."

16 MR. SAROKHANIAN: Now, Your Honor, they're
17 going to be referring to Trust -- excuse me -- KLM
18 Exhibit 38.

19 THE COURT: KLM -- all right.

20 MR. SAROKHANIAN: That's KLM 38.

21 THE COURT: Uh-huh.

22 "Let's go off the record a second."

23 (Discussion off the record.)

24 By Mr. Elmquist:

25 "Q. Take a look at Dahl Number 10,

1 Mr. Dahl, and confirm for me that this is a copy of the
2 return you prepared for the 2011 tax year for Barclay
3 Group?

4 "A. Yes, sir, it is.

5 "Q. Here again the information that's set
6 forth in this return was information that Mr. Comu
7 provided?

8 "A. Yes, sir.

9 "Q. We have \$1,373,688 in income, you see
10 that on the first page?

11 "A. Yes, sir.

12 "Q. And we have total deductions of
13 \$1,364,675.

14 "A. Yes, sir. Yes, sir.

15 "Q. And we have a supporting statement with
16 respect to the \$1,327,648, correct?

17 "A. Correct.

18 "Q. And do you recall what documents you
19 were provided to prepare the supporting statement with
20 respect to expenses?

21 "A. Income statement and balance sheet
22 that's similar to what I had with Regus.

23 "Q. Okay. So with respect to the 2011
24 return, you do recall seeing an income statement?

25 "A. Yes, sir.

1 "Q. And balance sheet?

2 "A. Yes, sir.

3 "Q. But you don't recall seeing an income
4 statement and balance sheet for earlier tax years for
5 Barclay Group?

6 "A. No.

7 "Q. Let me show you what was marked
8 yesterday as Comu 54. Does that document look familiar
9 to you?

10 "A. Yes, sir. Looks like what I used to
11 prepare the return on The Barclay Group.

12 "Q. Okay. This is the profit and loss
13 statement for 2011.

14 "A. Right.

15 "Q. Take a closer look at 54 and compare it
16 to the income and expense figures in Dahl 10."

17 MR. OLSON: Excuse me? What is 54?

18 MS. HANKS: Comu 54, (inaudible.)

19 MR. OLSON: Your Honor, one other thing, I
20 didn't want to interrupt. This is one of the exhibits
21 that I objected to the relevance.

22 THE COURT: All right. So you're
23 continuing to object to the relevance of this?

24 MS. HANKS: Comu 54, that's a Trustee
25 exhibit -- (inaudible).

1 THE COURT: Okay. So now we have an
2 objection to KLM Exhibit 38?

3 MR. OLSON: Yes, ma'am. Prepared in 2012.
4 It didn't exist when the complaint was filed.

5 THE COURT: All right. Your response to
6 that.

7 MR. SAROKHANIAN: Well, Your Honor, like
8 the Court stated earlier this morning, we are not
9 cabined necessarily to what our pleadings were as of the
10 second amended complaint. Obviously, discovery was
11 ongoing, moreover, in addition to what the Court
12 articulated, moreover these documents go toward what
13 Mr. Katz did not have knowledge of. And it also goes
14 towards 727(d)(1) false oaths, undisclosed assets and
15 also what will support our (d)(2) claims. So it is
16 relevant. And of course the Rule 401, it just has to
17 tend to show a relevant fact, so it's a very low burden.

18 THE COURT: I overrule the objection.

19 MR. SAROKHANIAN: Okay. So now we are
20 on --

21 THE COURT: You, I don't know, I guess
22 earlier offered it, but I didn't allow it. He's made
23 another objection. Are you moving to have it admitted?
24 It's sort of an awkward procedural --

25 MR. SAROKHANIAN: We'll move to offer it

1 since you have overruled his objection on that, Your
2 Honor.

3 THE COURT: Okay. All right. So I have
4 overruled and it will be admitted. This is KLM
5 Exhibit 38.

6 MR. SAROKHANIAN: Thank you, Your Honor.

7 MR. SAROKHANIAN: I'm going to pick back up
8 on Page 40 at Line 18.

9 "Q. Take a closer look at 54 and compare
10 it to the income and expense figures in Dahl 10."

11 THE COURT: And again, this is Trustee
12 Exhibit 21?

13 MR. SAROKHANIAN: That's correct, Your
14 Honor.

15 THE COURT: Okay.

16 "Q. They're not -- they're close but
17 they're not quite the same, correct?

18 "A. They -- there was a carryforward, a
19 loss carryforward that offset part of this, that income.

20 "Q. One of the things I'm looking at is the
21 amount of --

22 "A. I'm sorry.

23 "Q -- income, other income from stock
24 sales.

25 "A. Yeah.

1 "Q. That's not the same as the number shown
2 on the return, is it?

3 "A. No, that's what I'm saying. There was
4 a loss carryforward from previous years stock that
5 offset part of the gain on the other income stock sales.

6 "Q. I see.

7 "A. In other words, from 318 to 329 is like
8 11 or \$12,000 in loss carryforward in stock sales and
9 previous years.

10 "Q. Okay. Let me show you Exhibit 55 from
11 the Comu examination. Do you recall seeing that
12 document before?

13 "A. I may have seen it. I don't remember
14 it.

15 "Q. Okay. That's not a document you
16 remember utilizing in connection with the --

17 "A. For 2011?

18 "A. Preparation of the -- yeah.

19 "A. No, this is what I used.

20 "Q. This being 54, Exhibit 54; is that
21 right?

22 "A. Yes.

23 "Q. All right. Let me take a quick break,
24 but I think that's all I've got.

25 "A. All right. Just a few more questions,

1 Mr. Dahl, and we can wrap this up.

2 "A. Okay.

3 "Q. Are there other companies in which
4 Mr. Comu has an interest for which you prepare returns
5 other than those we talked about today?

6 "A. Not in -- the only things I prepare
7 that C.J. has an interest in that I am aware of are
8 these that --

9 "Q. Ones we identified today?

10 "A. Yeah, the 28 returns that I made copies
11 of and --

12 "Q. Okay.

13 "A. -- submitted.

14 "Q. Are you familiar with any -- any
15 interest that Mr. Comu has in any foreign entities? Do
16 you have any involvement in preparing returns involving
17 foreign entities?

18 "A. Not that I'm aware of.

19 "Q. Okay. Do you know anything about a
20 company called EuroCap Investments?

21 "A. Never heard of it.

22 "Q. Okay. Thank you very much. Thank you
23 for your time today. That's all I have. Thank you for
24 getting us these returns."

25 THE COURT: All right. I think we did this

1 entire deposition, right?

2 MS. HANKS: Yes, Your Honor, we did.

3 THE COURT: All right. So I assume nobody
4 has anything further on that. All right.

5 Your next witness.

6 MR. VITAL: I don't believe so I think
7 they're all back there.

8 UNIDENTIFIED SPEAKER: All I have is
9 partially.

10 MR. OLSON: Your Honor, housekeeping matter
11 while they're looking for that exhibit. Over the lunch
12 hour I did look at their additional exhibits.

13 THE COURT: The court reporter is not
14 picking you up. Can you get to a mic?

15 MR. OLSON: Is that better? Of the
16 Exhibits 337 through the end 368, there was only the
17 relevance objection to one.

18 THE COURT: Okay.

19 MR. OLSON: And that is number 337.

20 THE COURT: 337. All right. Well, we will
21 pick that up when and if offered. Thank you.

22 So that means, Dawn, that 338, KLM 338
23 through 368 are additionally admitted by stipulation.

24 MR. SAROKHANIAN: I'm sorry, Your Honor,
25 which ones are those?

1 THE COURT: KLM Exhibits 338 through 368,
2 the additional ones that y'all submitted last night are
3 admitted by stipulation.

4 MR. SAROKHANIAN: Thank you, Your Honor.

5 THE COURT: 337 he's carved out as he wants
6 to object on the basis of relevancy if and when offered.

7 MR. SAROKHANIAN: Your Honor, the
8 plaintiffs will call STEVEN EVANS by deposition if I may
9 approach.

10 THE COURT: You may.

11 MR. SAROKHANIAN: We will begin on Page 8,
12 Line 8.

13 THE COURT: Okay.

14 "Q. How did you first become involved with
15 the Green Automotive or Go Green USA Company?

16 "A. I met -- I was aware of -- me and Steve
17 Wills -- Steve Wills worked for me back in, I guess it
18 was the late '80s or maybe the early '90s. And Steve
19 had mentioned that he had a little car coming in from
20 China, which was the -- I don't recall the name, but it
21 was similar to the Smart Car, it was a lot smaller. And
22 he said it was going to be converted to all electric.
23 He had wanted me to come aboard to help sell it, promote
24 it, create a build a franchise system. And that started
25 back in '07 I think it was.

1 "Q. Was that the Zoyte Z-O-Y-T-E
2 Automotive?

3 "A. No, Zoyte came about in --

4 "Q. Zoyte?

5 "A. Yeah. We were working on the -- I want
6 to say the We Go car, which was similar to the Smart
7 Car, only bigger. And that was '07 to '08. Then a
8 Chinese company contacted us, had heard about us in
9 California. And then they contacted Steve Fly, which
10 Steve Fly wanted to go with the Chinese electric. And
11 they had already produced an electric, little SUV in
12 China. And they wanted us to be the distributor for
13 their green electric, all electric little SUV. And they
14 had two other products coming along with it, so...

15 "Q. And that was --

16 "A. And that was approximately latter part
17 of '08, I believe.

18 "Q. Okay.

19 "A. Started up in '08 and that was -- then
20 we changed the name to Green Automotive Company.

21 "Q. Okay.

22 "A. It was Go Green and we also had
23 Greenway Distributors or Greenway -- it was Greenway
24 Automotive -- it was Greenway Automotive, which was the
25 interim. And then once we got the Chinese involved,

1 which was Zoyte, that went to -- then we changed it to
2 Green Automotive at that point -- at the point of I
3 think we started talking to C.J. around July of -- I
4 want to say it was July of '09."

5 MR. SAROKHANIAN: Okay. Now moving to Page
6 11, Line 13.

7 "Q. Had you known C.J. Comu before the
8 Green Automotive arrangement?

9 "A. Yes, uh-huh."

10 MR. SAROKHANIAN: Moving to Page 12, Line
11 4.

12 "Q. And where did --

13 THE COURT: I'm sorry. What page again?

14 MR. SAROKHANIAN: Page 12. I will start at
15 Line 3.

16 THE COURT: Thank you.

17 "Q. And where did you live at the time?

18 "A. I lived at 5313, about three houses
19 down, same side of the street.

20 "Q. So when you met C.J., what did he tell
21 you he did for business?

22 "A. When I met C.J., he told me that, hey,
23 you need to get involved. He was doing a franchise
24 business with Sun Enterprise. I guess it was the Sun
25 organization or something.

1 "Q. Sun Sports.

2 "A. Sun Sports or something like that.

3 "Q. Yeah.

4 "A. He said he was selling franchises to
5 companies or selling to individuals that had the
6 breakdown I think was \$25,000 for a franchise and they
7 were providing memorabilia and then also for special
8 events they were having like movie stars and what have
9 you come in and speak or be a draw for an organization."

10 MR. SAROKHANIAN: Moving to Page 14, Line
11 7.

12 "Q. Okay. And what was the thinking behind
13 getting C.J. involved with trying to help with financing
14 for Go Green USA?

15 "A. Well, we had talked about it. And I
16 had mentioned -- we were walking the dogs one day, and I
17 said, hey, I, you know, if you're -- I knew that C.J.
18 took companies public. And I knew that he was good at
19 it supposedly. And we had talked about what we had done
20 with Sun and said, you know, he was always an upbeat,
21 always positive, and I believed in him, you know. And I
22 still kind of believe in him. I mean he's still going
23 at it and evidently very successful at it. But at that
24 point, I said, "C.J., I've got this Green Automotive
25 Company that we're looking to take public. And we would

1 like to take it public to raise money." And it's
2 selling the green aspect of, you know, that was at the
3 point back in -- I think it was like June or July
4 of '09. And he took it as, I mean it was kind of his
5 eyes lit up when I said green and the green venue of
6 vehicles. And his eyes lit up. And he asked me some
7 questions about how it would -- what would I think it,
8 you know, what would I think we could sell them, how
9 many we could sell and that kind of thing. And I said
10 it could be 10,000. It could be 100,000, you know,
11 within three to four years, which it very possibly could
12 have been if everything in a perfect world, if you look
13 at the other manufacturers like Tesla, and you know,
14 then in a perfect world, it just didn't happen.

15 "Q. Yeah.

16 "A. But it's still going on. I mean Green
17 Automotive is a viable company that just had a grand
18 opening in Newport Beach yesterday -- or on the 4th.
19 Had a grand opening of a factory of 423 -- we got an
20 order for 423 buses, which are the Don Brown Bus --
21 which are from the Don Brown Bus Company, which Don
22 Brown is very happy with us. We've delivered four so
23 far of the 423."

24 MR. SAROKHANIAN: Now moving to Page 16,
25 Line 23.

1 "Q. Do you still have any kind of business
2 involvement with Green Automotive?

3 "A. Yes.

4 "Q. How would you characterize that?

5 "A. Well, I tried to do marketing for them,
6 tried to publicize, be a publicist for them. I tried to
7 raise money for them through Addison Motor Car Leasing.
8 We're trying to originate a half million dollar loan for
9 them. And me and Darren, the CFO, have been in contact
10 with -- have been in contact, which they're still trying
11 to raise a half million dollars for production and on
12 their assets in that Newport Beach Company -- Newport
13 Coach Company.

14 "Q. And do you still have some stock in
15 Green Automotive?

16 "A. Yes, I do.

17 "Q. So trying to go back to July, August
18 of '09, you told C.J. about the Chinese electric car,
19 and his eyes lit up --

20 "A. Uh-huh.

21 "Q -- I think you said.

22 "A. Yeah.

23 "Q. And so did he offer to help y'all with
24 making arrangements to go public?

25 "A. Yes.

1 "Q. And so --

2 "A. I arranged a meeting for him and Steve
3 Fly to talk. At that point there was a conversation
4 between me and C.J. I said, 'C.J., if I bring you into
5 the deal,' I said, 'what do you think is compensation
6 for me if I join up with these guys as a director, what
7 do you think compensation would be.' As this kind of
8 still is my -- still in my craw -- and this is kind of
9 still in my craw a little bit about I sent him a
10 document saying that, I asked him, I said, 'do you think
11 \$10,000 -- or \$10,000 a month salary plus commissions'."

12 MR. VITAL: Are we going to read?

13 MS. HANKS: I think it was unintentional.

14 MR. VITAL: Unintentional?

15 MS. HANKS: To not highlight that.

16 "A. The deal embodied that I was also a
17 dealer broker and over the years I developed a
18 conglomerate of contacts with dealership owners, which I
19 felt like that I could get them to buy the franchise
20 which you know at that point that's kind of why my --
21 the pay plan that I got from the company was quite
22 lucrative, very lucrative. If in a perfect world, if
23 C.J. had have done what he said he was going to do,
24 raise the money, and I was also wanting to get paid also
25 at 10 percent of what money was raised and \$10,000 a

1 month, which you know, lo and behold the agreement that
2 he had come to have with Steve Fly, which I didn't get
3 anything in writing from C.J. of course, I trusted him.
4 And him and Steve Fly talked. And they came up with an
5 agreement through Barclay Group that he would be paid
6 \$10,000 a month and 10 percent of money raised.

7 "Q. He, Mr. Comu?

8 "A. Yeah".

9 MR. SAROKHANIAN: Moving to Page 19, Line
10 22. They are referring to KLM Exhibit 32.

11 And this is by Mr. Lippe.

12 "Q. Let me show you Exhibit 2. Do you
13 recognize that as a letter and enclosure from C.J. Comu
14 to Steve Fly concerning these beginning discussions?

15 "A. Yes.

16 "Q. Now, what was your understanding -- had
17 there been any agreement before this September 1st
18 letter or just general discussions?

19 "A. General discussions.

20 "Q. Okay.

21 "A. This is when I guess he went and met
22 with -- I think they met once before, and then this is a
23 formality of trying to get Steve Fly committed to using
24 him as the company to take us as a -- take him as a
25 company to take us public."

1 MR. SAROKHANIAN: Moving to Page 22, Line
2 3.

3 "Q. And what involvement did you have, if
4 any, in putting together the due diligence documents?

5 "A. I merely was a go-between between C.J.
6 Comu and Steve Fly and I just -- if Fly had a question
7 or wanted to know, you know, at that point when this
8 came out, I was the -- I would say, not for lack of a
9 better term, gopher between the two to get the documents
10 done in a timely manner so we could get it going of
11 everything in here. Of course Steve Fly said, 'why do
12 you need that? Why do you need this?' And of course I
13 just said, 'you know, that's what Mr. Comu wants, so
14 that's what he needs to take it public.'"

15 MR. SAROKHANIAN: Moving to Page 24, Line
16 5.

17 "Q. And although it says The Barclay Group,
18 was there ever anyone else supposedly with the Barclay
19 Group other than C.J. Comu that y'all dealt with?

20 "A. No. No. C.J. was Barclay Group."

21 MR. SAROKHANIAN: Moving to Page 25, Line
22 5. And Your Honor, they're going to be referring to KLM
23 Exhibit 33.

24 THE COURT: Okay.

25 "Q. Yeah, I'll hand you Exhibit 5. Was

1 this a later copy of the due diligence checklist?

2 "A. Correct. The notes at the top are of
3 me when I was trying to find out what the tariffs would
4 be on the distributorship of coming into the U.S. from
5 China. The tariff, it says there are tariffs between
6 China and the U.S. distributorship. It's like 15 thou
7 -- it was -- I think \$1,500 a car or \$1,000 a car I
8 think it was.

9 "Q. So the darker handwriting up near the
10 top of page one, that's yours?

11 "A. Right."

12 MR. SAROKHANIAN: Now moving to Page 29,
13 Line 15. And here, Your Honor, they're referring to KLM
14 Exhibit 34.

15 THE COURT: Okay.

16 "Q. I'll show you Exhibit 7. Are those
17 some handwritten notes of yours?

18 "A. Uh-huh.

19 "Q. You need to say yes or no.

20 "A. Yes. I'm sorry.

21 "Q. And the date you took those notes was
22 September 8th, 2009?

23 "A. Yes, sir.

24 "Q. What kind of meeting was this?

25 "A. This was a meeting between me, Steve

1 Fly, and C.J. And this a point where -- this is the
2 breakdown of who was going to have what. And at that
3 point Steve Fly, COO -- at that point I thought I would
4 be a COO, which I later found out that I -- I was
5 wanting five percent equity at that time. And the
6 chairman of the board was Steve Fly, CFO. We didn't
7 have one at the time. And Steve wanted to end up with
8 60 percent equity. And this Go Green USA, Number 1,
9 LLC, 100 percent d/b/a we were going to do a doing
10 business as Go Green America at that point. Steve Fly
11 wanted to be the sole managing partner or proprietor.
12 This was a request by Steve Fly of C.J. Comu of what we
13 anticipated we needed from 9/30/09. And then this is
14 what they were -- this is what we were requiring to get
15 to \$2 million so we could go forward with our plans.

16 "Q. Number four, the financing structure?

17 "A. Yes. \$100,000 first month, a half
18 million the second, 10/30. And then a half million
19 11/30. And this was a request by -- at a meeting with
20 Steve Fly to C.J. just what I -- if I remember
21 correctly.

22 "Q. And then explain what you meant in
23 number five there what you wrote down there.

24 "A. Number five would be 10 percent
25 commission to C.J. Comu on the total amount of capital

1 raised."

2 MR. SAROKHANIAN: Now, Your Honor, I'm
3 going to move to Page 32, Line 24, they will be
4 referring to KLM Exhibit 35.

5 THE COURT: Okay.

6 MR. OLSON: Which page?

7 MR. SAROKHANIAN: Page 32, Line 24.

8 "Q. But it was agreed at this meeting on
9 September 10, 2009 that C.J. Comu would get five percent
10 of the stock of Go Green USA?

11 "A. I believe that was -- yeah, discussed
12 management biographies, yeah, uh-huh, yeah."

13 MR. SAROKHANIAN: Now jumping to Page 41,
14 Line 17 -- or Line 16. Excuse me. Let's go to 13.

15 "Q. And what ever happened in that
16 transaction you just described, you weren't involved in
17 it --

18 "A. No.

19 "Q -- in any way, were you?

20 "A. No, huh-uh. I did not know about it.
21 I was told that I was -- needed to resign and that was
22 the latter part of '010, which there was a couple of
23 other things and then what happened was is C.J. made it
24 to -- made it his, you know, asked Steve Fly to resign.
25 At that point that's when C.J. captured for Barclay

1 Group when I say, quote, unquote, Barclay or, quote,
2 unquote, C.J., they're one in the same to me. C.J.
3 ended up with another 45 to 50 million shares of stock
4 of Steve Fly's into The Barclay Group. So at this point
5 I believe latter part of '010 he ended up with about 140
6 something million or 150 million shares of stock, which,
7 you know -- and this all came about -- the lunch all
8 came about because of the fact that I told C.J., I said,
9 'look, you want my voting rights on the board, you know
10 is it worth anything,' because they had a document that
11 said, you know, I had voting rights. And I said, you
12 know, I was hurting for cash. I needed money to pay
13 bills to live. And I went to him. And then, of course,
14 Steve Fly told Lockhart about what I was doing and
15 Lockhart tells Wells. And Wells calls me and raising
16 hell because he wanted -- he didn't want me to sell it
17 to C.J. because that would give C.J. control, which
18 unbeknownst to Steve Wells, C.J. controlled anyway
19 because of the free trading and floating shares which
20 they didn't know that.

21 "Q. Okay.

22 "A. From inception, C.J. had control from
23 what I understand."

24 MR. SAROKHANIAN: We're going to move ahead
25 to Page 61, Line 8.

1 "Q. And what was this about?

2 "A. This Wakabayashi. This is one of the
3 -- this was from C.J. Comu. This guy here is from
4 Dallas. And he started a company. He left Dallas,
5 started a company in New York and then Japan. And this
6 Wakabayashi Financial, they went offshore because of the
7 fact they could sell -- they could take unrestricted
8 stock and they would do a letter of opinion in those
9 foreign companies and then sell the stock on the open
10 market and raise money. That was my understanding. And
11 that was their way of getting around the U.S. laws, I
12 guess you might say."

13 MR. SAROKHANIAN: Moving to Page 62, Line
14 6. They will be referring to KLM Exhibit 37.

15 By Mr. Lippe:

16 "Q. This document marked Exhibit 25 at some
17 point were copies of the private placement memorandum
18 actually numbered up in the upper right-hand side --

19 "A. Yeah.

20 "Q -- for showing to potential advisors?

21 "A. Uh-huh.

22 "Q. And you had in your files copy 114.

23 "A. Correct."

24 MR. SAROKHANIAN: Moving to Page 64, Line
25 4.

1 By Mr. Lippe:

2 "Q. The company on November 30th, 2010
3 entered into a loan agreement with The Barclay Group."

4 By Mr. Elmquist: "I got it. I found it.
5 Thanks."

6 "A. Yeah, I recall Steve Fly making a
7 comment that we had to make a loan back to C.J. for any
8 money at that point. And it was a joke because here we
9 are, he was supposed to have raised us money and paid
10 him a commission. But yet we had to give him a note
11 back to pay him back for the stock, with stock or cash.
12 I thought that was kind of a joke.

13 "Q. Did you ever --

14 "A. When he was supposed to --

15 "Q. -- come to find out that there were
16 notes signed by Green Automotive to The Barclay Group
17 that had provisions in them that provided for stock to
18 be issued if the notes were in default?

19 "A. Right. Right. At that point Steve Fly
20 was desperate because we were running out of money. We
21 were going to lose our lease on the building. And
22 that's why it was kind of a joke that C.J. had, you
23 know, had us sign a note back to him when he was, in
24 fact, supposed to be raising us money per Steve Fly.
25 That's not my comment. That's Steve Fly's comment."

1 MR. SAROKHANIAN: Moving to Page 67, line
2 8.

3 "Q. Is C.J. still living at that house on
4 Palladium?

5 "A. The corner house?

6 "Q. Yes.

7 "A. No.

8 "Q. Do you know where he's living these
9 days?

10 "A. At the other end of the street. I
11 don't know the address. I'm not even sure it's
12 Palladium or Oaks North Drive.

13 "Q. Has he ever told you anything about
14 that house, who bought it or who financed it or
15 whatever?

16 "A. Oh, I made a comment to him, I said,
17 'oh, I hear you paid cash for your house.' And he kind
18 of looked at me. And I said, 'well, my neighborhood is
19 kind of tight and the guy that sold the house found out
20 that my ex-fiance is in the real estate business. And
21 she bumped into their neighbor and he said, yeah, they
22 sold it to C.J. Comu for \$450,000, he paid cash, wire
23 transfer.'

24 MR. OLSON: Object to the hearsay. I don't
25 know how you're going to handle it but...

1 THE COURT: Okay. Well, response.

2 MR. SAROKHANIAN: Mr. Olson was at this
3 deposition. There was no objection.

4 THE COURT: Okay. I'm going to overrule
5 it. It's waived.

6 MR. OLSON: You want us to make evidentiary
7 objections at the time of the deponent's comment?

8 THE COURT: Well, what was the agreement?

9 MR. OLSON: Form.

10 THE COURT: You only would make objections
11 during the deposition as to form --

12 MR. OLSON: Yes, ma'am.

13 THE COURT: -- and you reserved all other
14 objections?

15 MR. OLSON: Yes, ma'am.

16 THE COURT: All right. You disagree that
17 that was the agreement? It should be on the record, I
18 guess.

19 MS. HANKS: Unfortunately this predates our
20 representation but we will -- my understanding was that
21 there's specific objection -- actually I'll just let Mr.
22 Elmquist -- do you recall what the agreement was,
23 because I was not there.

24 MR. ELMQUIST: Your Honor, I think our
25 agreement was consistently reserving all objections

1 except as to form.

2 THE COURT: All right. Well, I don't see
3 it here at the beginning, but that's what Mr. Elmquist
4 has represented, so therefore, you need to address the
5 hearsay objection.

6 MR. SAROKHANIAN: Well, my initial thought
7 is that if it's a form objection, that would include
8 lodging objection to hearsay. But beyond that, it goes
9 to show personal knowledge of the deponent, Mr. Evans,
10 of where C.J. Comu is living. So he's not saying --

11 MR. OLSON: I didn't object to that, but
12 the response starting on Line 18 where his ex-fiance
13 says the neighbor says somebody else told him.

14 MS. HANKS: Your Honor, we wouldn't offer
15 it for the truth of the matter asserted. I think that
16 really what it's being offered for is that the debtor's
17 living circumstances were not evidenced in his
18 bankruptcy filing and it's evident to people in his
19 neighborhood that he's buying a new house with cash.
20 He's moving in. He's living in this new place, when
21 that information is not something that's evident in the
22 pleading. I don't think it's necessary, you know, to --
23 I think this is very helpful context for the Court but
24 it's not something that we need for the truth of the
25 matters that are actually stated in the testimony.

1 THE COURT: I sustain the objection on the
2 hearsay. So the hearsay will begin at Line 18 on Page
3 67 of Steve Evan's deposition and go through Page 68,
4 Line 5.

5 MR. SAROKHANIAN: Okay. Thank you, Your
6 Honor. We will move on to Page 69.

7 This is the examination by Mr. Elmquist of
8 Mr. Evans. I will start on Line 9.

9 "Q. Mr. Evans, my name is David Elmquist.
10 We met before.

11 "A. Yes.

12 "Q. Last summer, I think, to talk about
13 Green Auto and your involvement with all that. I'm here
14 today as counsel for the bankruptcy trustee and I have a
15 few questions for you.

16 "A. Okay.

17 "Q. On Exhibit 25 there in front of you,
18 take a look at Page 31 if you would.

19 "A. Okay.

20 "Q. This document indicates that you
21 received 7,181,011 shares of Green Automotive stock; is
22 that right?

23 "A. Correct.

24 "Q. Were you actually issued those shares?

25 "A. Yes.

1 "Q. Okay. How many shares do you hold
2 today?

3 "A. 2 million roughly.

4 "Q. Okay. And did you sell the other
5 5,181,000 shares?

6 "A. Yeah.

7 "Q. Okay. Do you recall when those shares
8 were sold?

9 "A. Just various times to different
10 shareholders or to people, individual friends.

11 "Q. Okay. Were the shares restricted?

12 "A. Yes.

13 "Q. Did you work through any kind of broker
14 or agent in connection with the sale of those stock?

15 "A. No, sir.

16 "Q. Okay. Were the shares that you sold
17 all sold to individuals that were personally
18 acquaintances of yours or --

19 "A. Yes.

20 "Q - - - or friends of yours?

21 "A. Yes.

22 "Q. And was the stock that was sold sold at
23 various prices or was it all sold about the same price?

24 "A. In between a penny and a nickel, I
25 believe."

1 MR. SAROKHANIAN: Moving to Page 73, Line
2 19.

3 "Q. What I'm trying to understand is what
4 Comu is doing in connection with these transactions. As
5 I understand -- and as I understand it, he introduced or
6 found for you some of the buyers for the stock you sold;
7 is that right?

8 "A. Correct.

9 "Q. Did he do anything else other than
10 locate buyers for you in connection with these
11 transactions?

12 "A. At one point he drew me up a document
13 that would allow me to do it in a correct way, which was
14 a stock order, stock purchase agreement.

15 "Q. Okay.

16 "A. Which I used that agreement on three
17 other occasions or four other occasions just to make
18 sure that the buyer knew that it was me, and you know,
19 that gave them something in their hands to know while
20 they were waiting on their certificates to come to them
21 that it was a real deal."

22 MR. SAROKHANIAN: Moving to Page 79, Line
23 21.

24 "Q. And are you currently involved with
25 business or possible business transactions with Green

1 Auto through --

2 "A. I'm trying to raise the money. That's
3 about it.

4 "Q. Trying to raise money for them?

5 "A. Just giving them contacts that I have
6 had over the years. Consequently, we were on the verge
7 of -- we went to a leasing show in Vegas. And when I
8 say we, I'm going to say Murray Schwarz and Leon Chester
9 went to Las Vegas. And they have been working on this
10 loan for Green Automotive for three or four months. And
11 they found a couple of guys out of Chicago that were
12 very interested in capping the company. Which after
13 digging into the history of the company back when C.J.
14 was involved in it at the early stages, they found all
15 this negative publicity of the public offering and all
16 the hoopla and everything on the Internet through the
17 principals of the company back then. So they -- since
18 then have all vanished. They don't have anything to do
19 with it because of the past history and the players back
20 then."

21 MR. SAROKHANIAN: Moving to Page 85, Line
22 22. Well, actually start at Line 20.

23 "Q. Okay. And it's your understanding
24 that at this meeting -- well, in your earlier testimony
25 you testified about the fact that Steve Fly basically

1 withdrew inappropriately withdrew \$100,000 from the
2 Green or received \$100,000 from the sale basically
3 either sale or issuance of what was treasury stock and
4 Mr. Fly --

5 "A. To The Barclay Group.

6 "Q. To The Barclay Group and Mr. Fly ended
7 up with those funds and that those funds should have
8 gone to Green Auto Group?

9 "A. The time frame was approximately
10 October of '010, I believe.

11 MR. SAROKHANIAN: Okay. All right.

12 Moving to Page 94, Line 8.

13 And this is the examination by Mr. Olson.

14 "Q. And so I got out and came --"

15 MR. SAROKHANIAN: Excuse me -- that's the
16 testimony. Let me back up. 93, Page 93, Line 12.

17 THE COURT: Okay.

18 "Q. All right. Just I wouldn't ask that
19 except you kept making a comment about trying to avoid
20 going to jail.

21 "A. Well, the reason -- let me explain that
22 situation too. When I say 50,000, I had to come up with
23 some cash and I just -- and I had just been -- I didn't
24 know where I was going to come up with the money. And
25 the judge was adamant about putting me in jail for six

1 months. And they had me in handcuffs. And I was
2 sitting in the sheriff's back room. About that time I
3 get a call from C.J. Comu. His name come up on my
4 phone. And I said, 'oh, thank God.'

5 And I answered the phone, I said, 'C.J., I
6 need \$50,000. I need to sell enough stock, you know,
7 whatever you've got to do, do it.' And he said, 'just
8 tell them it will take seven days.' I said okay.

9 Well, at that point they released me under
10 that scenario. But I still had to stay in there two
11 days, and it was awful, you know, I was scared to death.
12 And you know, it's not a good place to be. So I got
13 out, came home. C.J. comes to my house and says,
14 'here's how you're going to sell your stock.' And I
15 said okay. And I was under the impression that C.J. had
16 somebody buy it. And he comes in and he says, he pulls
17 up my iPhone and I had about 6- or 700 contacts on
18 there. He goes, 'well, what I want you to do is I want
19 you to take this agreement and contacts, send out an
20 email or text message in your contact deal and say you
21 will sell them 1,000 shares for \$100 and sell 50 -- or
22 what is it -- sell 10,000 shares for \$10,000 apiece or
23 whatever it was, a thousand shares and you take, you
24 know, 1,000 per person in your contacts and there's your
25 \$50,000.'

1 MR. SAROKHANIAN: And that concludes the
2 excerpts from the plaintiffs of the deposition of Steven
3 A. Evans, Your Honor.

4 THE COURT: All right. Does anyone wish to
5 supplement with additional deposition excerpts on this
6 one?

7 MR. OLSON: Your Honor, just on Page 70,
8 add Lines 22 and 23.

9 THE COURT: Page 70, you said Lines 22 and
10 23?

11 MR. OLSON: Yes. He sold his stock for a
12 penny.

13 THE COURT: Okay. "Pretty much a penny."
14 All right. Anything else?

15 MR. ELMQUIST: Nothing for the trustee,
16 Your Honor.

17 THE COURT: All right. Well, then that
18 concludes the Steven Evans' deposition.

19 Are plaintiffs ready to call another
20 witness?

21 MR. SAROKHANIAN: Yes, Your Honor, we will
22 now call MATTHEW TROSTER to the stand -- or through
23 deposition. Excuse me.

24 THE COURT: All right.

25 MR. VITAL: Your Honor, if I may, may I

1 have a brief restroom break if that's okay?

2 THE COURT: All right. That's certainly
3 okay.

4 MR. VITAL: I have been drinking a lot of
5 water. I'm sorry.

6 THE COURT: We will make it a 10-minute
7 break. We will come back at 4:00.

8 MR. VITAL: Thank you, Your Honor.

9 (Break taken.)

10 THE COURT: We are going back on the record
11 in King Louie.

12 All right. We were about to do plaintiffs'
13 witness number five by deposition.

14 MR. SAROKHANIAN: Yes, Your Honor, we're
15 going to call MATTHEW TROSTER.

16 Does Your Honor have a copy of the depo
17 transcript or may I approach with one?

18 THE COURT: Not that I know of.

19 MR. SAROKHANIAN: Okay.

20 MS. HANKS: It's also Trustee Exhibit 42,
21 Your Honor.

22 THE COURT: Oh, the entire deposition is?

23 MS. HANKS: The entire deposition.

24 THE COURT: Okay. Well, you can take this
25 back if you want because I have it at Trustee's 42.

1 Thank you.

2 MR. SAROKHANIAN: And, Your Honor, it's a
3 housekeeping matter, we can take it up once we're done
4 with Troster. But there might be a chance we can finish
5 with all the deposition reading today, might go past
6 5:00. Just want to throw that out there and see if
7 you're okay with that. But we can take it up after
8 Troster is done.

9 THE COURT: Okay. Let's see where we are
10 after Troster.

11 MR. SAROKHANIAN: Okay. Great.

12 MR. ELMQUIST: Counsel, I'm sorry. I
13 missed that. What were you saying?

14 MR. SAROKHANIAN: I was asking the Court --
15 I said there's a chance that if we can get done with
16 Troster and everyone's amenable if we're in that
17 situation to go past 5:00 we could wrap up all the
18 deposition reading today and go with live only. But
19 we'll take it up.

20 THE COURT: We'll just see. I'm not going
21 to go much past 5:00 so I mean I would go 5 or
22 10 minutes but not more than that.

23 MR. SAROKHANIAN: Okay, I understand.

24 If we could start on Page 13 and I will
25 start at Line 6.

1 This is an examination by Mr. Elmquist.

2 "Q. Mr. Troster, I'm David Elmquist. I'm
3 representing the bankruptcy trustee in a bankruptcy
4 pending in Dallas that Mr. Comu filed several years ago
5 the end of 2009. In the course of that bankruptcy case
6 a lawsuit was filed by Mr. Lippe on behalf of a company
7 called King Louie Mining and King Louie Enterprises and
8 Ronald Katz. I then on behalf of my client, the
9 trustee, intervened in that lawsuit with certain
10 additional claims. But we're here to talk about
11 transactions involving The Barclay Group and
12 transactions involving the purchase and sale of Green
13 Auto stock for which I understand Old Monmouth served as
14 a transfer agent, an escrow agent; is that right?

15 "A. Yes."

16 MR. SAROKHANIAN: Moving to Page 15, Line
17 14, and they will be referring to Trustee Exhibit 43.

18 THE COURT: Okay.

19 "Q. Mr. Troster, this is a copy of an
20 escrow agreement, which is among the documents you sent.
21 This particular copy of the agreement isn't signed. Do
22 you recall that an agreement like this was entered into
23 between Old Monmouth and The Barclay Group?

24 "A. Yes.

25 "Q. And The Barclay Group was pursuant to

1 this agreement looking to sell 10 million shares of
2 common stock of Green Auto; is that right?

3 "A. Yes.

4 "Q. And for purposes of these transactions,
5 Old Monmouth was going to act as an escrow agent and a
6 transfer agent; is that right?

7 "A. Yes.

8 "Q. Do you know who drafted Exhibit 1, who
9 prepared this document?

10 "A. It was prepared by, I'm assuming The
11 Barclay Group. I did not prepare it.

12 "Q. Do you remember anything about signing
13 the agreement? It's shown to -- if you look at the
14 fourth page of the document you will see it's a
15 reference to an execution as of 16th of June, 2011. Do
16 you remember anything about signing it at that time?

17 "A. I don't recall specifically, but I am
18 sure that it was signed."

19 MR. SAROKHANIAN: Moving to Page 18 --
20 actually I will stick with Page 17, Line 20. 17, Line
21 20.

22 "Q. Okay. Can you tell me what -- let's
23 see -- we have in Paragraph D on the first page, quote,
24 the parties hereto acknowledge that Old Monmouth Stock
25 Transfer Co also serves as transfer agent for GACR, end

1 quote, which is Green Automotive Company. So what was
2 Old Monmouth doing as a transfer agent under this
3 agreement?

4 "A. We were keeping the shareholder records
5 for that issue -- for the issuer.

6 "Q. Okay. And was that by virtue of a
7 separate agreement with Green Auto?

8 "A. Yes.

9 "Q. I have not seen any agreement between
10 Old Monmouth and Green Auto. Can you tell me what that
11 agreement provided for?

12 "A. They would appoint us as transfer agent
13 for their common stock.

14 "Q. And what services would you perform as
15 transfer agent?

16 "A. We were transfer titles of their shares
17 or issue newly registered shares upon their request.

18 "Q. In the documents I reviewed, I noted
19 that -- I noted there was a number of instances in which
20 stock certificates have an issue to The Barclay Group
21 for certain number of shares were stamped cancelled and
22 then there would be a re-issuance of a smaller amount
23 representing the shares they had sold or that difference
24 represented the shares that were sold by The Barclay
25 Group. So were you also involved in those?

1 "A. We would physically do the transfer of
2 them, whether they were sales or not, that we don't
3 know.

4 "Q. And what records did you maintain with
5 respect to the purchase and sale of shares of Green
6 Auto?

7 "A. In regards to the escrow agreement or
8 in regards to the transfers.

9 "Q. Let's talk about it in regards to the
10 escrow agreement.

11 "A. We would receive I guess a purchase
12 agreement from the buyer along with a check that they're
13 looking to buy or purchase shares.

14 "Q. And you would receive funds from that
15 purchaser and then as stock transfer agent, would you
16 (sic) responsible for issuing the shares?

17 "A. Yes.

18 "Q. And that was with the agreement of
19 Green Auto?

20 "A. Yes."

21 MR. SAROKHANIAN: Moving to Line 20. And
22 Your Honor, they're referring to Trustee Exhibit 44.

23 THE COURT: Okay.

24 MR. OLSON: And Your Honor, we would urge
25 our relevance objection on the discharge issue.

1 THE COURT: Okay. Let me check my list.

2 This is going to be Exhibit 40, you said?

3 MR. SAROKHANIAN: 44 of the Trustee's.

4 MS. HANKS: This is the Trustee's exhibit.

5 MR. OLSON: No objection to the Trustee's
6 exhibit.

7 THE COURT: Oh, okay. Good.

8 MR. SAROKHANIAN: Line 23 on Page 20.

9 "Q. Take a look at Exhibit 2, Mr. Troster,
10 and tell me if you're familiar with this document.

11 "A. I am.

12 "Q. To the best of your recollection, does
13 this document reflect all of the share -- all the sales,
14 the purchase and sales of Green Auto stock from June 20,
15 2011 through January 4, 2012?

16 "A. Yes.

17 "Q. And is this the -- do you know whether
18 this document captures all the transactions; in other
19 words, whether this is the complete set of transactions
20 of the Green Auto purchase and sales by The Barclay
21 Group?

22 "A. That I don't know. It certainly
23 possible they could have had other ones that I'm not
24 aware of.

25 "Q. With respect to transactions in which

1 Old Monmouth served as escrow agent, are these the
2 transactions?

3 "A. Yes.

4 "Q. So Exhibit 2 covers all the
5 transactions?

6 "A. Yes."

7 MR. SAROKHANIAN: Moving to Page 23, Line
8 9.

9 "Q. Look at the last page of the document,
10 if you will. So it's stated there, quote, total funds
11 received \$2,839,857, end quote. That number represents
12 all of the monies that were received as set forth in
13 this first column?

14 "A. Yes."

15 MR. SAROKHANIAN: Moving to Page 25, Line
16 10.

17 "Q. Okay. Thanks. I overlooked that.
18 This document reflects the amounts that were received
19 and amounts wired in connection with these transactions.
20 Did you keep any kind of tally of where the money was
21 going; in other words, you received money from the
22 buyers and then you -- and then per instructions, you
23 would transfer the -- transfer funds out.

24 "A. Yes.

25 "Q. Did you keep a separate record of where

1 the funds were being sent?

2 "A. Yes.

3 "Q. On each transaction.

4 "A. Yes."

5 MR. SAROKHANIAN: And Your Honor, they're
6 going to be referring to Trustee Exhibit 45.

7 THE COURT: Okay.

8 MR. SAROKHANIAN: 45.

9 THE COURT: Okay.

10 MR. SAROKHANIAN: Starting on Line 6 on
11 Page 26. I'm handing you what the reporter has marked
12 as 2A. It's a letter -- this is a letter from Cengiz
13 Comu as trustee for the trust. Do you recall this
14 letter in general?

15 "A. Yes.

16 "Q. And this letter was sent to you for
17 purposes of setting up a relationship with the Daptco
18 Trust similar to that which was formed with The Barclay
19 Group?

20 "A. Yes. I believe so.

21 "Q. Okay. On the transactions involving
22 The Barclay Group, who was your principal contact in
23 terms of the transactions for which Old Monmouth was
24 serving as escrow agent and transfer agent?

25 "A. I believe it was C.J. Comu.

1 "Q. Okay. We'll get to that later. How
2 about with respect to the Daptco Trust, who was your
3 principal contact with respect to the Daptco trust
4 transactions?

5 "A. I don't recall specifically. I believe
6 it was C.J."

7 MR. SAROKHANIAN: Your Honor, they will now
8 be referring to Trustee Exhibit 46.

9 THE COURT: Okay.

10 "Q. Mr. Troster, you have before you
11 Exhibit 3, which is an escrow agreement between Old
12 Monmouth and a Daptco trust. If you turn to the fifth
13 page of this document, there's a signature for Old
14 Monmouth. Is that your signature?

15 "A. Yes.

16 "Q. And this agreement is substantially
17 similar to the one that we looked at earlier for The
18 Barclay Group, correct?

19 "A. Yes."

20 MR. SAROKHANIAN: Then moving to Line 15.

21 And Your Honor, they're referring to
22 Trustee Exhibit 47.

23 THE COURT: Okay.

24 "Q. Are you familiar with Exhibit 4,
25 Mr. Troster?

1 "A. Yes.

2 "Q. Who maintained these records at Old
3 Monmouth?

4 "A. I did.

5 "Q. So this is a document you created?

6 "A. Yes.

7 "Q. And your purpose of keeping this was to
8 keep track of the transaction for which Old Monmouth
9 served as escrow agent or transfer agent, I take it,
10 yes?

11 "A. Yes."

12 MR. SAROKHANIAN: And then they're
13 referring to Trustee Exhibit 48, 4-8. And I will move
14 to Line 19 on Page 29.

15 "Q. Do you have any recollection today of
16 ever discussing any of the transactions involving the
17 TKY Trust or the Daptco Trust with Jim Comu as opposed
18 to C.J. Comu?

19 "A. I don't believe so."

20 MR. SAROKHANIAN: Then they will be
21 referring to Trustee Exhibit 49, 4-9, on Page 30
22 starting at line 4.

23 "Q. Do you recognize Exhibit 5, Mr.
24 Troster, to be a copy of the escrow agreement between
25 TKY Trust and Old Monmouth that was executed on or about

1 September 1, 2011?

2 "A. Yes.

3 "Q. Page 5, is that your signature?

4 "A. Yes.

5 "Q. And again, this document is
6 substantially similar to the other agreements we looked
7 at?

8 "A. Yes.

9 "Q. Let me point out one thing. Here on
10 the first page subparagraph D, it says here, quote, the
11 parties hereto acknowledge action stock transfer serves
12 as transfer agent, end quote. Do you know why Old
13 Monmouth was not acting as transfer agent in these
14 deals?

15 "A. Issuers change transfer agents from
16 time to time.

17 "Q. Why is that?

18 "A. Different management or whatever reason
19 they have for changing transfer agents.

20 "Q. That would be Green Auto?

21 "A. Yes.

22 "Q. They would make the decision on who
23 serves as transfer agent?

24 "A. Correct.

25 "Q. I take it with respect to the -- with

1 respect to the TKY Trust and Daptco Trust transactions,
2 all of those were handled in terms of the stock transfer
3 by action stock transfer?

4 "A. I believe so, yes."

5 MR. SAROKHANIAN: And Your Honor, they're
6 going to refer to Trustee Exhibit 50.

7 THE COURT: Okay.

8 MR. SAROKHANIAN: 5-0.

9 "Q. You recognize Exhibit 6?"

10 "A. Yes.

11 "Q. And this is again a record you
12 maintained with respect to the purchase and sale of the
13 Green Auto stock pursuant to the TKY Trust, slash, Old
14 Monmouth escrow agreement?"

15 "A. Yes."

16 MR. SAROKHANIAN: And then they're
17 referring to Trustee Exhibit 51, 5-1, starting on Page
18 32, Line 3.

19 "Q. Do you recognize Exhibit 7,
20 Mr. Troster?"

21 "A. Yes.

22 "Q. Is this a record you also maintained?"

23 "A. Yes, this is a transaction report.

24 "Q. And this is meant to reflect a stock
25 issued in connection with these particular transactions

1 between The Barclay Group and these purchasers?

2 "A. Yes.

3 "Q. It shows here that there's a
4 certificate for 9,501,000 shares of stock that was
5 cancelled and a new certificate issued for 9,361,000.

6 Do you see that?

7 "A. Yes.

8 "Q. Acting as stock transfer agent, was Old
9 Monmouth involved in the cancellation and issuance of
10 the certificates reflected in Exhibit 7?

11 "A. Yes."

12 MR. SAROKHANIAN: Moving to Page 34, Line
13 12.

14 "Q. Okay. So again, as I understand this
15 process, as sales of stock were being made by The
16 Barclay Group and other groups of stock transactions,
17 existing certificate reflecting the outstanding shares
18 of The Barclay Group held by The Barclay Group would be
19 cancelled, a new one would be issued and a new
20 certificate would reflect the stock that was sold to
21 whomever?

22 "A. Yes.

23 "Q. Is that how it worked?

24 "A. Yes."

25 MR. SAROKHANIAN: Moving to Page 36, Line

1 -- excuse me -- Page 35, Line 23.

2 "Q. And what is the WWA 1548 and the
3 series of numbers after that, do you know?

4 "A. I don't recall. I know WWA was World
5 Wide Auric. I'm not sure which escrow this is from."

6 MR. SAROKHANIAN: They'll next be referring
7 to Trustee Exhibit 39, 3-9. I'll start on Page 36, Line
8 18.

9 "Q. This Exhibit 12, a letter from Ed
10 Baxter to you concerning the breakdown for today's
11 wires. Do you see that?

12 "A. Yes.

13 "Q. So this was instructing you on how to
14 disburse funds received in connection with the purchase
15 and sale of the Green Auto stock?

16 "A. Yes.

17 "Q. And you were referring just a moment
18 ago to World Wide Auric, which is the first name listed
19 here on this Exhibit 12, do you see that?

20 "A. Yes.

21 "Q. Do you know what World Wide Auric is?

22 "A. No.

23 "Q. Did you ever have any dealings with
24 them?

25 "A. As far as escrows being sent to them or

1 funds being sent out, yes.

2 "Q. Was that the extent of your involvement
3 with World Wide Auric was wire transferring as
4 instructed by some representative of The Barclay Group?

5 "A. Yes.

6 "Q. That they receive payments or wire
7 transfers as instructed by Ed Baxter or Mr. Comu?

8 "A. Yes."

9 MR. SAROKHANIAN: And then, Your Honor,
10 they're going to refer to Trustee's Exhibit 40. That's
11 4-0, Page 38, starting at Line 11.

12 "Q. I want to direct your attention to the
13 second page of Exhibit 13, Mr. Troster. On the left
14 side there, there's a reference to available funds of
15 \$110,000. Do you know what is meant by that? What
16 does, quote, available funds, end quote, mean?

17 "A. Those are available funds to be wired
18 out.

19 "Q. It looks like the total amount wired
20 out in this document is \$326,491.

21 "A. That's a grand total of everything."

22 MR. SAROKHANIAN: And Your Honor I'm going
23 to move to Page 40. I will be starting on Line 14.
24 They will be referring to Trustee's Exhibit 52.

25 MR. OLSON: 5-2?

1 MR. SAROKHANIAN: Yes, sir, 5-2.

2 "Q. Exhibit 15 is one of these
3 transactional documents showing stock cancelled and
4 issued. With respect to the individuals that were
5 receiving restricted shares of Green Auto stock, since
6 this was a Barclay Group transaction, as I understand
7 it, Old Monmouth as stock transfer agent would prepare
8 and issue the shares on behalf of Green Auto; is that
9 right?

10 "A. Yes.

11 "Q. And did you send some kind of record to
12 Green Auto so that they would reflect in their books and
13 records the issuance of these shares to these
14 individuals?

15 "A. Monthly we send out transaction
16 journals which would show this transaction."

17 MR. SAROKHANIAN: Your Honor, they will be
18 referring to document which is KLM Exhibit 41.

19 THE COURT: KLM 41?

20 MR. SAROKHANIAN: Yes, Your Honor.

21 MR. OLSON: And, again, Your Honor, that's
22 one of them that I objected to for relevance.

23 THE COURT: All right. Would you like to
24 respond to that?

25 MR. SAROKHANIAN: Your Honor, I make

1 reference obviously earlier to your comments. My
2 previous response to the relevance objection, more
3 specifically these documents that were shown to
4 Mr. Troster, Mr. Troster was the -- he was the escrow
5 agent and transfer agent for an entity called Old
6 Monmouth, which was the main conduit through which C.J.
7 Comu through TBG, his alter ego, was selling these
8 shares. So as you will hear, and to the extent that you
9 don't think it's relevant now, I ask again for you to
10 carry that because the additional testimony will show
11 why this is relevant. They were able to trace the Green
12 Auto shares from TBG, which is part of C.J. Comu's
13 control, to various buyers and then show the \$3 million
14 or the amount of money that he made from the sale of
15 those shares back through Old Monmouth and action stock.
16 So this is absolutely relevant, because this is
17 undisclosed assets under 727(d)(1) as well as 727(d)
18 (2). Because these were proceeds that should have been
19 property of the estate had they been disclosed.

20 THE COURT: I will overrule the objection
21 and admit it.

22 This is KLM 41, Dawn.

23 MR. SAROKHANIAN: So KLM 41 is admitted,
24 Your Honor?

25 THE COURT: Yes, it is.

1 MR. SAROKHANIAN: Thank you.

2 "Q. I'll pick back up Page 41, Line 15. In
3 this Exhibit 16, if you take a look at the email address
4 there, this is -- this document is being sent to you by
5 C.J. Comu, correct, on behalf of admin. Do you see
6 that?

7 "A. Yes.

8 "Q. So did you from time to time receive
9 transactions from Mr. Comu as well as Mr. Baxter as far
10 as instructions on how funds were to be wired?

11 "A. I believe so."

12 MR. SAROKHANIAN: And the next document
13 they're referring to, Your Honor, is KLM Exhibit 42.

14 "Q. Do you recognize Exhibit 17,
15 Mr. Troster?

16 "A. Yes.

17 "Q. Are these wire transfer forms that you
18 have prepared in accordance with instructions received
19 from Mr. Baxter or Mr. Comu as to funds to be wired to
20 various designated parties?

21 "A. Yes.

22 "Q. And is that your signature at the
23 bottom of the form where it says sign here?

24 "A. Yes.

25 "Q. And this again was all done in

1 accordance with instructions that you received?

2 "A. Yes."

3 MR. SAROKHANIAN: Moving to Page 44. It
4 will be discussing KLM Exhibit 43. That's 4-3, KLM 4-3.

5 MR. OLSON: And that's one of our relevance
6 objections.

7 THE COURT: That's one of the relevance
8 objections; your response?

9 MS. HANKS: Your Honor, this is another
10 cash distribution. It's the proceeds of assets that
11 belonged to the estate. Cash came in from the sale of
12 those -- of that stock. It was distributed in
13 accordance with the defendant's instructions to various
14 recipients.

15 THE COURT: I'm going to overrule the
16 objection. It's admitted.

17 MR. SAROKHANIAN: Starting on Line 5 on
18 Page 44.

19 "Q. You have in front of you Exhibit 21 and
20 you will see we've got some numbering at the bottom of
21 the page. So if you turn to Number 2510, and I'll ask
22 you, there's a couple, three names we haven't addressed
23 yet: Capital Asset Management Partners, Inc., Five Star
24 Health, LLC, and Millennium Marketing Concepts, Inc.
25 These are recipients of wire transfers in accordance

1 with instructions as set forth in this letter. Did you
2 have any dealings with any of those entities other than
3 to wire transfer funds in accordance with instructions
4 from Mr. Baxter?

5 "A. No."

6 MR. SAROKHANIAN: And then they will be
7 referring to Trustee's Exhibit Number 5-3. Number 53.
8 And I will be on Page 45 starting with Line 13.

9 MS. HANKS: Actually can you start at 19
10 the page before?

11 MR. SAROKHANIAN: I'm going to start back
12 Page 44, pick back up at line -- oh, that's the witness
13 -- excuse me. I will start on Page 44, Line 22, Your
14 Honor.

15 THE COURT: Okay.

16 "Q. You will note at the top of Exhibit 22
17 that this is an email from David Parsley. Do you recall
18 that name?

19 "A. Yes.

20 "Q. Is that also someone that you received
21 instructions from with respect to these Green Auto
22 transactions?

23 "A. Yes.

24 "Q. And it shows

25 "davidparsley@thebarclaygroup.com." Do you see that?

1 "A. Yes.

2 "Q. But the instructions pertain to Daptco
3 Trust, correct?

4 "A. Yes.

5 "Q. Do you recall having any -- receiving
6 any instructions directly from, by email, directly from
7 Jim Comu with respect to transfer instructions as
8 opposed to representatives of The Barclay Group to the
9 Daptco Trust transactions?

10 "A. Not that I recall.

11 "Q. If you take a look at the number 544,
12 which is the fourth page of this document, do you know
13 whose signature that is on the fourth page?

14 "A. I'm guessing that is Jim Comu.

15 "Q. You're guessing it's Jim Comu?

16 "A. Or C.J. Comu.

17 "Q. You're not sure which?

18 "A. I'm not sure, no.

19 "Q. Okay. The second page of Exhibit 23 is
20 a letter from you to Justine Blankenship at Action Stock
21 Transfer; is that right?

22 "A. Yes.

23 "Q. And this was to inform her of shares
24 that could be issued to those individuals named Green
25 Auto stock by Action Stock Transfer as a stock transfer

1 agent for these transactions; is that right?

2 "A. Yes.

3 "Q. So the case of Daptco Trust and TKY
4 Trust it was Action Stock Transfer that issued the
5 shares for the purchasers?

6 "A. I'm not sure the exact dates, but at
7 some point yes, they became the transfer agent for Green
8 Automotive.

9 "Q. Well, the transfer agent would be as
10 reflected in the escrow agreement, correct, whoever was
11 specified in the escrow agreement, but in the case of
12 Daptco and TKY, the specified transfer agent is Action
13 Stock Transfer?

14 "A. Yes.

15 "Q. So that would be the correct, I mean we
16 can rely on that as being the correct transfer agent for
17 those transactions, right.

18 "A. Yes."

19 MR. SAROKHANIAN: Moving to Page 49,
20 starting at Line 16.

21 "Q. All the transactions with the exception
22 of Exhibit 25 show the seller to be The Barclay Group
23 and not Daptco Trust. Did you happen to notice that as
24 you were receiving these agreements?

25 "A. I don't recall it, no.

1 "Q. Did you have any discussions with Jim
2 Comu or C.J. Comu about the fact that the agreements you
3 were receiving for the stock purchase and sales by
4 Daptco Trust or the TKY Trust were in the name of The
5 Barclay Group and not the trust?

6 "A. I don't recall, no."

7 MR. SAROKHANIAN: Then they will be
8 referring to KLM Exhibit 45.

9 MR. OLSON: And again, we object to that as
10 having nothing to do with the motion to revoke the
11 discharge.

12 MR. SAROKHANIAN: Your Honor, this document
13 is just like the last two that we just went over. It's
14 a distribution instructions. It goes to 721(d)(1) and
15 (d)(2).

16 THE COURT: I overrule the objection. It's
17 admitted.

18 MR. SAROKHANIAN: Thank you, Your Honor.

19 Picking up on Page 50, Line 13.

20 "Q. The instruction here for Mr. Comu is to
21 have \$500,000 restricted shares from Daptco Trust, as I
22 understand it, issued to World Wide Auric International,
23 do you see that?

24 "A. Yes.

25 "Q. Do you know why these certificates were

1 being transferred -- were being transferred to World
2 Wide Auric?

3 "A. No, I do not."

4 MR. SAROKHANIAN: Then they will be
5 referring to Trustee Exhibit 54, 5-4. And I will be
6 going to Page 52, starting on Line 2.

7 "Q. Other than you, who else was involved
8 in these transactions or who else also at Old Monmouth
9 was involved in these transactions that were done
10 pursuant to these escrow agreements?"

11 "A. It was 99 percent me."

12 MR. SAROKHANIAN: Moving to Page 53,
13 starting at Line 11. They will be referring to Trustee
14 Exhibit 55. Trustee 5-5.

15 "Q. Take a look at the signature on the
16 second page of this document where it says, quote, for
17 or on behalf of TKY Trust, end quote. Do you see that?"

18 "A. Yes.

19 "Q. Do you recognize that signature?"

20 "A. I'm not sure. It looks like it's
21 C.J.'s, but it could be C. Jones -- I don't..."

22 "Q. This pertains to the TKY Trust,
23 correct?"

24 "A. Yes.

25 "Q. By the way, I did not see in the

1 documents you provided copies of any trust agreements
2 for either the TKY or Daptco Trust. Do you recall
3 seeing trust agreements for those entities?

4 "A. No."

5 MR. SAROKHANIAN: And they will be
6 referring to KLM Exhibit 46. Exhibit 4-6.

7 MR. OLSON: That's another one that we
8 objected to for relevance on the discharge issue.

9 THE COURT: Response?

10 MR. SAROKHANIAN: The response, Your Honor,
11 is similar to the last three. This is wire instructions
12 to Matt Troster of Old Monmouth again which is the
13 escrow agent and the stock transfer agent for TBG for
14 the Green Auto shares, and this is pertaining to the TKY
15 Trust, which we contend had the undisclosed assets. So
16 it is relevant under 727(d)(1) and (d)(2).

17 THE COURT: Overrule the objection. 46 is
18 admitted.

19 MR. SAROKHANIAN: Picking up on Page 54,
20 Line 10.

21 "Q. You will see in Exhibit 30 that
22 there's some handwritten notations, some numbers written
23 there to the right of some of the listings. Do you know
24 what those -- let's start with the first one on Page 1
25 under The Barclay Group. It says, quote, plus 10,000,

1 end quote, and looks like quote in parenthesis, TBG,
2 which I presume is The Barclay Group equals, which I
3 presume is The Barclay Group, open quote, equals 11,000,
4 closed quote. Do you know what that references?

5 "A. It's my handwriting, but I don't recall
6 it off the top of my head, no.

7 "Q. So the handwriting is yours?

8 "A. Yes.

9 "Q. As we sit here today, you can't recall
10 exactly what that meant or referred to?

11 "A. From what I recall of it, I believe
12 there were two of the escrows going on at one time.
13 Instead of sending The Barclay Group two separate wires,
14 we combined them.

15 "Q. Okay.

16 "A. Yeah, The Barclay Group.

17 "Q. It would have been outgoing wires
18 combined, it would have been The Barclay Group and TKY
19 instead of sending two for each one --

20 MR. SAROKHANIAN: Oh, excuse me --

21 MR. VITAL: That was me.

22 MR. SAROKHANIAN: On Line 9.

23 MR. VITAL: Starting at Line 9 of Page 55.

24 "A. It would have been outgoing wires
25 combined. It would have been The Barclay Group and TKY

1 instead of sending two for each one.

2 "Q. Okay. So this would involve sales of
3 stock by The Barclay Group and sales of stock by TKY
4 Trust and in each instance The Barclay Group was
5 receiving some of the proceeds from those sales?

6 "A. Well, that would have been the outgoing
7 wires that would have been from the -- from incoming.
8 So it would have been TKY Trust and The Barclay Group
9 instead of sending them two separate outgoing wires they
10 would get one with the combined two accounts.

11 "Q. Okay. So the handwritten portion of
12 this reflect money due to Barclay Group from sales of
13 stock by The Barclay Group or do you know?

14 "A. Repeat that again.

15 "Q. Well, in the printed portion of this
16 document, we're talking about stock sales by TKY Trust,
17 correct?

18 "A. TKY, yes.

19 "Q. And what you have written to the right
20 here are additional amounts to be paid to The Barclay
21 Group presumably for sales of stock by it.

22 "A. There would be another -- in addition
23 there would be another from The Barclay Group.

24 Right.

25 "A. The same format.

1 "Q. Right. Where it had sold stock it
2 owned as opposed to receiving proceeds of stock that TKY
3 Trust sold?

4 "A. Correct.

5 "Q. And that's what you're reflecting by
6 your handwritten notations?

7 "A. Yes."

8 MR. SAROKHANIAN: They will be referring to
9 KLM Exhibit 47, Exhibit 4-7.

10 THE COURT: Okay. There's a relevancy
11 objection.

12 MR. OLSON: Objection on relevance.

13 THE COURT: Response?

14 MR. SAROKHANIAN: The response, Your Honor,
15 is this is additional evidence relating to the Green
16 Auto funneling of shares and monies by C.J. Comu, TBG,
17 and Old Monmouth is irrevocable stock power reportedly
18 from the TKY Trust which Mr. Troster will explain in
19 more detail. So it's undisclosed assets under 727(d)(1)
20 and proceeds that should be part of the estate under
21 (d)(2).

22 MR. OLSON: And my point is it's not
23 supported by their pleading.

24 THE COURT: I overrule the objection. KLM
25 47 is admitted.

1 MR. SAROKHANIAN: Now, starting on Page 57,
2 Line 6.

3 "Q. Do you have any recollection of
4 Exhibit 32, Mr. Troster?

5 "A. Not specifically.

6 "Q. Do you recognize the signatures that
7 appear on this document?

8 "A. No.

9 "Q. If you would pull out Exhibit 5 again
10 which is the escrow agreement between Old Monmouth and
11 TKY Trust. Do you see on the first page of TKY Trust
12 there's a reference there. It says, quote, seller is
13 selling a total of 5 million shares of restricted common
14 stock, end quote. Do you see that?

15 "A. Yes.

16 "Q. And if you look at Exhibit 32, it's
17 referring to \$5 million shares of common stock. Does
18 that tell you that this agreement was prepared in
19 connection with the TKY Trust stock sales?

20 "A. I'm not certain, but it could be.

21 "Q. Do you recall any discussions with
22 anyone regarding Exhibit 32?

23 "A. No, I don't recall."

24 MR. SAROKHANIAN: And they will be
25 referring to KLM Exhibit 48, Exhibit 4-8.

1 THE COURT: Once again, that's one of their
2 relevance objections.

3 MR. OLSON: Yes, ma'am, re-urged.

4 MR. SAROKHANIAN: And this document, Your
5 Honor, purports to be a corporate resolution on behalf
6 of TKY Trust. This is relevant because it's showing,
7 again, the use of TKY Trust, TBG through this Old
8 Monmouth escrow and transfer agent of undisclosed
9 assets. So it's relevant under 727(d)(1) and under
10 (d)(2) because it's proceeds of property that should
11 have been part of the estate.

12 THE COURT: Overrule the objection. 48 is
13 admitted.

14 MR. SAROKHANIAN: Thank you, Your Honor.

15 Starting on Page 58, Line 19.

16 "Q. Do you recognize Exhibit 33; is this
17 another form that Old Monmouth uses?

18 "A. Yes.

19 "Q. Do you know why it was prepared?

20 "A. It's a corporate resolution. It's
21 telling me who has signing power for TKY Trust.

22 "Q. Well, let's go back to 32. Although
23 the information set forth on this document, although
24 what is handwritten on this is not something you recall,
25 this is a form that is typically used by Old Monmouth,

1 irrevocable stock power.

2 "A. Yes.

3 "Q. And what is the purpose of this
4 Exhibit 32?

5 "A. It's a -- telling me who the authorized
6 signer is for TKY Trust.

7 "Q. So the authorized signer for TKY Trust
8 would be whoever's signature shows up on Exhibit 32?

9 "A. Yes.

10 "Q. And Exhibit 33 is another document that
11 you obtained in connection with Old Monmouth serving as
12 an escrow agent for stock transactions; is that right?

13 "A. These are ways I can transfer
14 documents. Any time a corporate entity is transferring
15 shares, they would need either to sign the back of the
16 certificate or use a blank stock power, which is done
17 here. And if it's a corporate entity, they need a
18 corporate resolution as well.

19 "Q. Okay. Do you know whether TKY Trust
20 was a corporate entity?

21 "A. It's not an individual so...

22 "Q. Okay. So this is the form -- you
23 basically have two forms, one for individuals and one
24 for business entity?

25 "A. An individual wouldn't need a corporate

1 resolution. They would just use the stock power.

2 "Q. When you were dealing with a business
3 entity, you would get a stock power and a resolution?

4 "A. Yes.

5 "Q. Signed on behalf of the entity?

6 "A. Yes.

7 "Q. On Exhibit 33, there's a signature here
8 under the title secretary, do you see that?

9 "A. Yes.

10 "Q. Do you know whose signature that is?

11 "A. I don't recall, no.

12 MR. SAROKHANIAN: Moving to Page 62, Line
13 20.

14 Examination is now by Mr. Lippe.

15 "Q. Mr. Troster, what type of entity is
16 Old Monmouth Stock Transfer Company, Inc., is that a
17 corporation?

18 "A. Yes.

19 "Q. Are there any shareholders other than
20 you?

21 "A. Shareholder, we're not a publicly
22 traded -- we're not publicly traded. We're a private
23 company.

24 "Q. Okay. What is your title with Old
25 Monmouth?

1 "A. Vice president and second.

2 "Q. Who is the president.

3 "A. John Christopher Troster, my brother.

4 "Q. Okay. So you were the one that was
5 primarily dealing with Mr. Comu and The Barclay Group?

6 "A. As far as the escrow goes, yes.

7 "Q. And AST, American Stock Transfer, they
8 have taken over as transfer agent; is that correct?

9 "A. Yes."

10 MR. SAROKHANIAN: Moving to Page 65, Line
11 7.

12 "Q. So you and your brother acquired a
13 company that was pre-existing under another name?

14 "A. As relates to Green Automotive, yes.
15 We've probably been agent for that particular entity
16 when it was Green Auto since the '90s, late '90s, maybe,
17 and I'm guessing."

18 MR. SAROKHANIAN: Moving to Page 68, Line
19 1.

20 "Q. If you would look at Exhibit 19 at the
21 very top of Page 2, the document discusses, quote, on
22 November 4, 2009, the issuer acquired Go Green USA, LLC,
23 a Nevada limited liability company, by virtue of the
24 terms of a merger and plan of reorganization. Does that
25 ring a bell at all for any significant changes in the

1 history of Green Automotive as far as you're aware?

2 "A. Not that I'm aware of. Typically we
3 would do a filing with FINRA stating the company is
4 doing a name change. As far as there being a merger,
5 it's not material. We just consider it a name change."

6 MR. SAROKHANIAN: Moving to Page 69, Number
7 16, Line 16.

8 "Q. Okay. So Old Monmouth has been in
9 existence since 1992. Is it registered with any
10 regulatory agencies?

11 "A. The SEC.

12 "Q. And how -- what type of registration do
13 you have with the SEC?

14 "A. We file a TA2 form yearly with the SEC
15 and we're subject to yearly audits from them.

16 "Q. And what's --

17 "A. Outside" --

18 MR. VITAL: Sorry.

19 "Q. And what I'm specifically trying to
20 find out is as what type of entity are you registered
21 with the SEC, you're not a broker dealer, for example.

22 "A. We are a registered stock transfer
23 agent.

24 "Q. Okay. And that's what the TA form
25 refers to.

1 "A. Yes.

2 "Q. So recognizing that you're not an
3 attorney, just generally can you describe a laymen's
4 concept of what a transfer agent is as far as being a
5 registered transfer agent with the SEC?

6 "A. Well, like I said, we're subject to TA
7 reportings to the SEC on a yearly basis.

8 "Q. What type of information do you send on
9 your TA form?

10 "A. I don't personally send out the TA
11 forms but from what I understand they typically look at
12 how many shareholders we have in total turnaround times
13 on transfers.

14 "Q. Do you report to the SEC the companies
15 for whom you're acting as transfer agent?

16 "A. Yes.

17 "Q. Okay. Are there any reporting
18 requirements that your company has as transfer agent
19 either with the SEC or any other U.S. governmental
20 entity concerning reporting by concerning transfers to
21 insiders of the company?

22 "A. Transfers to -- well, if they were
23 removing legends on shares, they would have to file
24 forms. But that's done by their broker. It would be
25 144 forms.

1 "Q. Do you have to report transfers of
2 stock to non-U.S. citizens to persons or entities
3 outside the U.S.?"

4 "A. No."

5 "Q. Do you have any reporting requirements
6 concerning disbursement of monies? For example, do you
7 send out 1099s?"

8 "A. No."

9 "Q. Do you have any specialized reporting
10 duties for wire transfers sent overseas?"

11 "A. Not that I'm aware of."

12 "Q. Okay. Now before the switch to AST was
13 Old Monmouth actually performing the physical transfer
14 of certificates and issuance of new certificates?"

15 "A. Yes."

16 MR. SAROKHANIAN: Moving to Page 74, Line
17 13.

18 "Q. Okay. What were the requirements that
19 you had The Barclay Group satisfy in order to accomplish
20 a stock transfer? Was there a mental checklist you had
21 like you need to sign a stock purchase agreement, a
22 securities purchase agreement, you need the money and
23 then you need the transactions instructions as to how to
24 disburse the money?"

25 "A. Generally, yes."

1 MR. SAROKHANIAN: Moving to Page 76, Line
2 16. It will be discussing Trustee Exhibit Number 44.
3 Trustee 4-4.

4 "Q. If you would look at Exhibit 2, do you
5 have that there? Okay. Exhibit 2, I think, you
6 previously identified. That's a spreadsheet that you
7 prepared showing disbursement of escrow funds from
8 Barclay Group sales; is that accurate?

9 "A. I don't know if it's the disbursement
10 of going out, or what's coming in. It does reference,
11 yes, we had a total going out.

12 "Q. Okay. So it's an accounting of escrow
13 funds, correct?

14 "A. Yes.

15 "Q. And it shows incoming and outgoing?

16 "A. Yes.

17 "Q. So these disbursements were done
18 usually on a weekly basis, would you say?

19 "A. Around about."

20 MR. SAROKHANIAN: Moving to Page 80,
21 starting at Line 5. They will be discussing Trustee
22 Exhibit 44, which should be the one we just discussed.

23 "Q. I note that on the first page of
24 Exhibit 2, all of these reference numbers begin with
25 WWA. You are aware, aren't you, that the WWA initials

1 were used in communications with him to refer to World
2 Wide Auric, are you not?

3 "A. Yes.

4 "Q. Did anyone ever tell you what kind of
5 entity World Wide Auric was?

6 "A. No.

7 "Q. Or who owned it?

8 "A. No.

9 "Q. Is it typical to deal with companies
10 that have bank accounts in Lichtenstein for your
11 business?

12 "A. It's not typical."

13 MR. SAROKHANIAN: Moving to Page 81, Line
14 13.

15 "Q. Would you have a general stock ledger
16 for Green Automotive stock transfers for the year 2010,
17 2011 and 2012?

18 "A. We would have the current shareholder
19 list up to date -- up to the date we sent the records to
20 Action Stock Transfer.

21 "Q. If I wanted to find out who the
22 shareholders of record were as of December 2010, would
23 you have that information in your records?

24 "A. As long as we were agent at that time
25 and I believe we were, yes."

1 MR. SAROKHANIAN: Page 82, Line 1.

2 "Q. And I know you have been very helpful
3 and very cooperative with Mr. Elmquist in furnishing
4 documents. Would you be agreeable to generating, if
5 it's possible from your records, the stock transfer
6 ledger for the year 2010 and '11 and for 2012 as three
7 separate records reports?

8 "A. I think I can do that, yes.

9 "Q. And I would ask the court reporter to
10 reserve numbers 37, 38, and 39. And if you could just
11 furnish those to the court reporter, that would be
12 helpful."

13 MR. SAROKHANIAN: And Your Honor, those
14 will be KLM Exhibit 49, KLM Exhibit 50, and KLM
15 Exhibit 51.

16 MR. OLSON: And we have the same relevance
17 objection to all three.

18 THE COURT: Response?

19 MR. SAROKHANIAN: These, Your Honor, are
20 the transaction journals for the years 2010, 2011, and
21 2012 maintained by Old Monmouth. These documents are
22 extremely relevant because they show the ledger, the
23 incoming and outgoing for the shares of Green Auto, by
24 The Barclay Group, by TKY Trust, Daptco Trust, et
25 cetera, and the monies returned. So this is extremely

1 relevant under 727(d)(1) as undisclosed assets and
2 727(d)(2) for property that -- for proceeds that should
3 have been property of the estate.

4 MR. OLSON: And again --

5 MS. HANKS: Actually let me clarify real
6 quick. This is actually the stock transfer journals so
7 it will reflect stock certificates that are cancelled
8 and new issuances. But it doesn't reflect money
9 exchanged. And for example, I mean the relevance of
10 them, for example, the first page of Exhibit 49 shows
11 the 300,000 stock certificate received by C.J. Comu on
12 January 13th, less than two weeks after he filed for
13 bankruptcy.

14 THE COURT: Overrule the objection. 49, 50
15 and 51 of KLM are admitted.

16 MR. SAROKHANIAN: Thank you, Your Honor. I
17 will pick up the questioning on Page 83, starting at
18 Line 8.

19 "Q. Right. We're going back to Exhibit 2.
20 And looking at the reference numbers for the
21 transactions, I believe we have side (sic) that all the
22 transactions on Page 1 have a WWA reference, correct?

23 "A. Yes.

24 "Q. And then on Page 2 most but not all of
25 them have WWA references. Is that also correct?

1 "A. Yes.

2 "Q. And there are a few of TBG references?

3 "A. Yes.

4 "Q. In going through the rest of the
5 document we find later on in the document on the pages
6 were all TBG reference numbers, correct?

7 "A. Yes.

8 "Q. And I believe you have testified
9 already that those designations were just designations
10 that Barclay Group had furnished you?

11 "A. Yes."

12 MR. SAROKHANIAN: Moving to Page 87, Line
13 -- Page 87, Line 7. They will be discussing KLM
14 Exhibit 5-5, Exhibit 55.

15 THE COURT: Okay. I know that was one of
16 the objections of Mr. Olson, KLM 55.

17 MR. OLSON: Correct.

18 THE COURT: Response to the relevancy
19 objection?

20 MR. SAROKHANIAN: This is similar to the
21 earlier emails we saw in the Matt Troster deposition
22 where these are instructions to distribute shares. This
23 is with regard to TKY Trust. So just like those emails
24 were relevant and admitted, this is relevant under
25 727(d)(1) as undisclosed assets and (d)(2) as proceeds

1 for property that should have been part of the estate.

2 THE COURT: Okay. Overruled. 55 is
3 admitted.

4 MR. SAROKHANIAN: Starting at Page 87, Line
5 7.

6 "Q. I don't understand; maybe you do. At
7 the bottom of Exhibit 44 there appears to have been an
8 email from you to Nick asking, quote, are they asking
9 you to take 500,000 shares of the 2 million shares of
10 Daptco and transfer them to World Wide and have it sent
11 to Portugal, end quote. And Nick's response was --

12 "A. It looks like it's clarifying what
13 they're asking me to do.

14 "Q. Do you understand him to be saying that
15 these were shares of stock for him?

16 "A. It looks like for World Wide Auric,
17 quote, please issue the following 500,000 restricted
18 from the Daptco Trust World Wide Auric, closed quote."

19 MR. SAROKHANIAN: And moving to Page 89
20 starting at Line 3.

21 "Q. So the fact that you don't show money
22 in Exhibit 4 --

23 "A. I don't believe there was any funds
24 received for that. And they were just requesting that I
25 send 500,000 shares out. Whether they collect funds on

1 it or not, I don't know.

2 "Q. But you do know that Old Monmouth did
3 not collect funds for them?

4 "A. I'm pretty certain we did not.

5 "Q. Otherwise you would have put it on
6 Exhibit 4?

7 "A. Absolutely.

8 "Q. Exhibit 45, March 22 email from
9 consultant to you, while Nick was instructing you to
10 send it out with today's instructions to AST, correct?

11 "A. Yes. I would have gotten the
12 distribution on the wires. In addition to that, it was
13 issuing or having Action Stock Transfer issue the
14 500,000 for the world -- for World Wide Auric."

15 MR. SAROKHANIAN: And moving to Page 91,
16 Line 4, they will be discussing KLM Exhibit 56. Exhibit
17 5-6.

18 THE COURT: Okay. That's another relevance
19 objection.

20 MR. OLSON: On the issue of discharge.
21 They did not know this at the time they filed their
22 complaint and it's not covered by their pleading.

23 THE COURT: Your response?

24 MR. SAROKHANIAN: To relevance or to the
25 rest of it?

1 THE COURT: All of it.

2 MR. SAROKHANIAN: Well, Your Honor, this,
3 again, goes -- this is still part of the Matthew Troster
4 deposition. This is still a document that was sent to
5 Old Monmouth, which was the transfer agent and the
6 escrow agent. These are instructions regarding The
7 Barclay Group, the Daptco Trust, and I believe the TKY
8 Trust of wire transfers. And so again, this evidence
9 tends to show that there were undisclosed assets; that
10 being, among other things, the Green Auto shares held by
11 Mr. Comu and The Barclay Group and these trusts I just
12 referred -- referenced to.

13 It goes to the undisclosed assets so that's
14 relevant under 727(d)(1) and it's also relevant under
15 727(d)(2) as proceeds of property that should have been
16 disclosed in part of the estate. So they are relevant.

17 MS. HANKS: Your Honor, we would also add
18 -- if you scroll to the last page of that document --
19 this is one of the documents that really reflects the
20 intermingling of these entities that were used to move
21 assets, both move assets and dissipate assets. And so
22 this was an email coming from The Barclay Group that was
23 sending a letter of instruction to a Canadian trust,
24 Daptco Trust, telling them how to distribute money that
25 had come in from stock that was sold through Old

1 Monmouth through -- for their Green Auto shares. So
2 ostensibly these shares were in Daptco Trust's name and
3 this is one of Mr. Comu's brother's trusts in Canada.

4 Daptco Trust sells the shares at Mr. Comu's
5 instruction. The cash comes in through Old Monmouth and
6 then The Barclay Group, Mr. Comu's company, sends Old
7 Monmouth instructions about where to send the cash and
8 some of that cash comes back to Barclay Group. And so
9 this is more than -- this is more than just a particular
10 asset. This is also part of a much broader scheme to
11 move and secret assets away from the estate that should
12 have been made available to creditors.

13 THE COURT: All right. I'm going to
14 overrule the objection. 56 is admitted.

15 MR. SAROKHANIAN: Picking up on Page 91,
16 Line 4.

17 "Q. Okay. And nowhere on Exhibit 46 does
18 it make reference to disbursement of monies relating to
19 500,000 shares for World Wide Auric, does it?

20 "A. No, I don't believe there was any
21 disbursement of funds regarding that. It was just an
22 issuance of shares to be sent out.

23 "Q. Was it typical that each week when you
24 send out disbursement of funds, you would also send
25 instructions to AST to issue so many shares to this

1 person?

2 "A. I would send out the instructions to
3 AST prior to this. I would need confirmation from AST
4 that, yes, here's copies of the certificates. Here's
5 copies of the FedEx. So I know these shareholders are
6 going to receive the shares and then I release the
7 funds."

8 MR. SAROKHANIAN: Moving to Page 92,
9 starting on Line 20. They will be referring to KLM
10 Exhibit 57. Number 5-7.

11 MR. OLSON: Same objection.

12 THE COURT: All right. Response?

13 MR. SAROKHANIAN: This here is another
14 email from The Barclay Group to Matt Troster of Old
15 Monmouth, which again is the escrow agent and the stock
16 transfer agent. These are instructions to hold wires
17 and not just for TBG but also for the TKY Trust. So
18 this, like my colleague just told you about the last
19 exhibit, is evidence that's relevant and tends to show
20 this larger overall scheme as well as the particular
21 transfers that we mentioned earlier.

22 THE COURT: Okay. Objection. Overruled.
23 It's admitted.

24 MR. SAROKHANIAN: Starting on Line 20 on
25 Page 92.

1 "Q. Exhibit 48, is this an email you got
2 on December 30, 2011 from admin at The Barclay Group
3 instructing you to hold certain wires for TBG and TKY
4 but to release all the other wires?

5 "A. It looks like that, yes."

6 MR. SAROKHANIAN: And moving to Line 14 on
7 Page 93. This will be referring to KLM Exhibit 5-8.
8 Number 58.

9 THE COURT: Okay. That's one of the
10 carried relevance objections.

11 MR. OLSON: Yes.

12 MR. SAROKHANIAN: This document in
13 particular is relevant on similar grounds. These are --
14 this is a conversation between The Barclay Group and
15 Matt Troster, who is the Old Monmouth stock transfer
16 agent. And he's asking essentially whether they should
17 move credits from The Barclay Group to TKY Trust, which
18 again, is probative, Your Honor, of showing this overall
19 scheme, lack of formalities and alter ego. So all the
20 things that Ms. Hanks articulated earlier and it is
21 indicative of the particular transaction we were talking
22 about under 727(d)(1) and (d)(2).

23 THE COURT: Objection overruled. 58 is
24 admitted.

25 MR. SAROKHANIAN: Page 93, Line 14.

1 "Q. Exhibit 49, I'm sorry I only have one
2 copy, January 10, 2012 from "cjcomu@gmail.com". You're
3 communicating with him about what subject?

4 "A. It looks like the two escrows, The
5 Barclay Group had a remaining balance left of 407, I
6 guess probably at the close of the escrow it looks like
7 the 407 was moved over to the new escrow for TKY.

8 "Q. So Mr. Comu just advised you to
9 transfer that balance over to TKY Trust, Mr. C.J. Comu.

10 "A. Yes, it looks that way."

11 MR. SAROKHANIAN: We will next be
12 discussing KLM Exhibit 59, Number 5-9.

13 THE COURT: That's --

14 MR. OLSON: Same objection.

15 THE COURT: Response.

16 MR. SAROKHANIAN: This one in particular,
17 Your Honor, again is probative of the overall collusion
18 and scheme to hide assets from the Court. The email in
19 the bottom, however, it looks like one of the entities
20 has, quote, run out of shares and so they need to
21 transfer shares from one to the other in order to
22 continue making these sales and making this undisclosed
23 income. So this is probative relevant under (d)(1) and
24 (d)(2), Your Honor.

25 THE COURT: Objection overruled. 59 is

1 admitted.

2 MR. SAROKHANIAN: And I'm cognizant of the
3 time limit. Do you want me to just go right up to 5:00?

4 THE COURT: Well, you think you can finish
5 or no?

6 MR. SAROKHANIAN: We're getting close, but
7 I don't want to promise that we can finish by 5:00. I
8 don't want to hold us late either. But I think that
9 there's 121 pages and we're on 95.

10 THE COURT: 146, I think.

11 MR. SAROKHANIAN: Well, I'm not counting
12 the word index, Your Honor.

13 THE COURT: Okay. Let's just see if we can
14 get through.

15 MR. SAROKHANIAN: Yes, Your Honor. Thank
16 you.

17 Page 94, Line 7.

18 "Q. Exhibit 50, on January 4, 2012, you
19 communicated with C.J. Comu about transferring some
20 45,000 shares of stock; is that correct?

21 It appears to be, yes.

22 "Q. And what was it that had occasioned
23 that situation?

24 It's just -- it looks like they wanted me
25 to have the other transfer agent or Action Stock

1 Transfer issue 45,471 shares to The Barclay Group."

2 MR. SAROKHANIAN: Did you get that number
3 right, 45,471?

4 MR. VITAL: I thought so. I may have
5 misspoke.

6 MR. SAROKHANIAN: I think you added a
7 little bit. 45,471.

8 "A. 45,471 shares to The Barclay Group."

9 MR. SAROKHANIAN: Now, going to Page 95,
10 they're going to discuss two different exhibits, one of
11 which is not objected to. It's a trustee Exhibit Number
12 56. They refer to it within the deposition as
13 Exhibit 51. So Troster Exhibit 51 equals Trustee
14 Exhibit 56, which is already admitted. And then Troster
15 Exhibit 53 equals KLM Exhibit 60, which may have an
16 objection to it.

17 THE COURT: There is an objection.

18 MR. OLSON: There is. And again, it's just
19 that this was written in January of 2012. It couldn't
20 be the basis for the second amended complaint. They
21 have the burden of saying, here's what we have learned
22 since the discharge that's the reason for the filing of
23 the complaint.

24 MR. SAROKHANIAN: Your Honor, this
25 particular document deals with money and not necessarily

1 just transfer of shares. These are breakdowns for
2 wires. It's probative of the overall fraud and
3 collusion between World Wide Auric, The Barclay Group,
4 and another entity as well as Marathon Management, which
5 you have heard some about. It's also probative of the
6 undisclosed assets and the proceeds. Here we're talking
7 about funds, you know, 8,000, 10,000 that are proceeds
8 of sales of that Green Auto stock that weren't disclosed
9 so it's relevant under 727(d)(1) and (d)(2).

10 THE COURT: Objection overruled. 60 is
11 admitted.

12 MR. SAROKHANIAN: Page 95, starting at Line
13 12.

14 "Q. Exhibit 51, 52 and 53 all have a date
15 of January 5, 2012. The first one shows some 7,700
16 going to World Wide Auric. And then the second one says
17 that it's been corrected, Exhibit 52. Then Exhibit 53
18 has some handwritten notations on it. By looking at
19 those, does that help you understand better what was
20 going on?

21 "A. It looks like the overlapping. They
22 had wires going out and they said, 'instead of sending
23 two wires to World Wide Auric for The Barclay and TKY
24 escrows, combine them and send just one wire out.' "

25 MR. SAROKHANIAN: Moving to Page 96, Line

1 4.

2 "Q. In the last page of Exhibit 51 you're
3 saying that Barclay will have 45 and something shares
4 left over?

5 "A. It would have been the end of the
6 escrow. They had no more shares left. After that last
7 distribution The Barclay Group would only have 4,529
8 shares remaining.

9 "Q. And you were looking to The Barclay
10 Group to tell you how to allocate these as between
11 Barclay, TKJ and Daptco, were you not?

12 "A. I believe so.

13 "Q. Let me show you Exhibit 26 again. I
14 think you identified this in answering Mr. Elmquist's
15 questions. It's an email from C.J. Comu to you dated
16 March 15, 2012. Does that help explain any details from
17 the 500,000 share transfers sent to Portugal?

18 "A. Yeah, we wouldn't have received any
19 funds on that. It would have been them saying issue the
20 500,000 under the escrow certificate."

21 MR. SAROKHANIAN: And moving to Page 98,
22 Line 8. They will be referring to KLM Exhibit 61.
23 Number 6-1.

24 MR. OLSON: Same objection.

25 THE COURT: Same objection. Response?

1 MR. SAROKHANIAN: This is probative again
2 of the overall collusion of the different entities and
3 of course the proceeds of these undisclosed assets.
4 Here there is a communication between The Barclay Group
5 and Matt Troster of Old Monmouth asking how to allocate
6 the funds received. And I won't go into it more than
7 that. But that's probative under 727(d)(1) and (d)(2).

8 THE COURT: Objection overruled. 61 is
9 admitted.

10 MR. SAROKHANIAN: Starting at Page 98, Line
11 8.

12 "Q. Exhibit 55, in December 2011, did you
13 ask Mr. Comu as to how to allocate certain transfers?

14 "A. Yes, it looks that way.

15 "Q. Okay. And the response back was to
16 apply them to TBG, The Barclay Group?

17 "A. Yes."

18 MR. SAROKHANIAN: Moving to Page 102, Line
19 1 -- excuse me -- 101 page -- sorry -- Page 101, Line
20 22.

21 "Q. Exhibit 61 is an email dated June 6,
22 2012, and 62 is an email dated July 5, 2012. They're
23 from your records, are they not?

24 "A. Yes.

25 "Q. And what do those relate to?

1 "A. 61 looks like we're closing one of the
2 escrow accounts, Daptco Trust.

3 "Q. Why was it being closed?

4 "A. I don't know.

5 "Q. Had they sold all their stock?

6 "A. I don't know.

7 "Q. I will show you Exhibit 4. Does that
8 help you any by looking at your escrow analysis for
9 Daptco?

10 "A. We certainly closed the account --
11 closed out the account.

12 "Q. But that doesn't help you answer the
13 question as to why it was closed, does it?

14 "A. No.

15 "Q. Okay.

16 "A. Mostly out of shares or they requested
17 that it be closed. I don't know.

18 "Q. As far as you know, there was no
19 dissatisfaction with Old Monmouth's work, was there?

20 "A. No."

21 MR. SAROKHANIAN: Moving to Page 103. And
22 Judge, it's 5:00, I want to give you the opportunity to
23 cut me off.

24 THE COURT: Are you five minutes away from
25 finishing? If not, we will go ahead.

1 MR. VITAL: I would think about 10.

2 MR. SAROKHANIAN: I think it might take
3 more like 10. You want to do it tomorrow morning?

4 THE COURT: Let's just stop. It will take
5 a while to wrap up the courtroom and shut everything
6 down. So all right we are stopping at Page 103 of the
7 Troster deposition. We will reconvene at 9:30 in the
8 morning.

9 MR. SAROKHANIAN: Thank you, Your Honor.

10 THE COURT: All right. Thank you.

11 (Adjourned.)

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1 CERTIFICATE
2
3 COUNTY OF LUBBOCK)
4 STATE OF TEXAS)
5
6 I, Linda York, Registered Professional
7 Reporter and Certified Shorthand Reporter in and for the
8 State of Texas, do hereby certify that the foregoing
9 pages contain a full, true and correct transcript, to
10 the best of my ability, of audiotape furnished by the
11 Clerk of the Bankruptcy Court.
12
13 Given under my hand this the 17th day of
14 October, 2014.
15
16
17 /s/
18 LINDA YORK, CSR No. 4899
19 Expiration Date: 12/31/15
20 Cathy Sosebee & Associates
21 Firm Registration No. 49
22 P.O. Box 86
23 Lubbock, TX 79408
24 806.763.0036
25

1 IN THE UNITED STATES BANKRUPTCY
2 NORTHERN DISTRICT OF TEXAS
3 DALLAS DIVISION

4 KING LOUIE MINING, LLC, KING LOUIE ENTERPRISES, LLC AND
5 RONALD KATZ,

6 Plaintiffs,

7 V.

8 CENGIZ J. COMU a/k/a CJ COMU,

9 DIANE G. REED, TRUSTEE.

10 Intervenor, Co-Plaintiff, and Third-Party
11 Plaintiff,

12 V.

13 CENGIZ J. COMU, a/k/a CJ COMU,

14 Defendant,

15 and

16 PHYLLIS E. COMU, BERNARD D. BROWN, THE BARCLAY GROUP,
17 INC., AND SUNSET PACIFIC, L.P.,

18 Third-Party Defendants.

19 BANKRUPTCY PETITION NUMBER: 10-03269-sqj

20 TRIAL

21 MARCH 18, 2014

22 9:36 A.M. TO 5:00 P.M.

23 HONORABLE STACEY JERNIGAN, PRESIDING

24 TRANSCRIPT FROM AUDIO RECORDING

25

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1 * * * P R O C E E D I N G S * * *

2 THE COURT: All right. We're here for day
3 two -- please be seated -- of our King Louie Mining, et
4 al versus Comu, et al, trial in Adversary 10-3269.

5 Let's start out by getting our lawyer
6 appearances on the record again today.

7 MS. HANKS: Kendyl Hanks and Victor Vital
8 and Nick Sarokhanian for the plaintiffs, Your Honor.

9 THE COURT: Okay. Good morning.

10 MR. VITAL: Your Honor, I'm going to take
11 the podium and introduce myself at the insistence and
12 wise advice of the court reporter. Victor Vital for the
13 plaintiffs.

14 UNIDENTIFIED SPEAKER: (Inaudible).

15 THE COURT: Oh, you didn't get it
16 yesterday? I'm sorry. I wasn't aware of that. Okay.

17 MR. SAROKHANIAN: Nicholas Sarokhanian for
18 the plaintiffs.

19 THE COURT: Okay. Good morning.

20 MR. ELMQUIST: Good morning, Your Honor,
21 David Elmquist on behalf of Diane Reed, Trustee.

22 THE COURT: Good morning.

23 MR. OLSON: Good morning, Your Honor,
24 Dennis Olson for the defendants.

25 THE COURT: Good morning.

1 All right. Where we left off yesterday --

2 MR. ELMQUIST: Excuse me, Your Honor.

3 Before we start, may I address a housekeeping matter?

4 THE COURT: You certainly may.

5 MR. ELMQUIST: As I mentioned yesterday
6 there's a lift stay docket today, and unfortunately, the
7 movant wants to go forward. So I would like to request
8 a late lunch as we did yesterday.

9 THE COURT: Okay.

10 MR. ELMQUIST: I'm confident that if we can
11 break from 1:00 to 2:30 I will be done by then.

12 THE COURT: Okay. So your hearing is at
13 1:15 next door?

14 MR. ELMQUIST: Yes, in Judge Houser's
15 court.

16 THE COURT: All right. So same as
17 yesterday, 1:00 to 2:30 for lunch.

18 MR. ELMQUIST: If that's acceptable to
19 everyone.

20 MR. VITAL: Yes.

21 THE COURT: Okay. That's what we will do
22 then. Thank you.

23 MS. HANKS: Your Honor, I also wanted to
24 let you know that Christopher McNeill who is under
25 subpoena, we spoke with him last night. He will be

1 coming at 10:30.

2 THE COURT: Okay. 10:30.

3 MS. HANKS: We just wanted to advise the
4 Court that he had conferred with us and we said that was
5 okay.

6 THE COURT: Okay. All right. That is
7 fine.

8 MS. HANKS: He's actually not under
9 subpoena but he's under oath.

10 THE COURT: Got you. All right. Well, we
11 have invoked the rule in this matter, and I assume we
12 don't have any witnesses, nonparty representative
13 witnesses in the courtroom. If not, let's go ahead and
14 resume.

15 We were on witness number five when we
16 broke last night, which was MATTHEW TROSTER by
17 deposition excerpt.

18 Are you all ready to proceed with finishing
19 that deposition?

20 MR. SAROKHANIAN: Yes, Your Honor, we are.

21 THE COURT: Okay. You may.

22 MR. SAROKHANIAN: Thank you, Your Honor.
23 And we left off at Page 103. If I could please start
24 back at Page 85 and cover a little ground and we will
25 move forward.

1 THE COURT: Okay. Could you remind which
2 trustee exhibit that was?

3 MS. HANKS: 42, I believe, Your Honor.

4 THE COURT: 42?

5 MS. HANKS: I believe so, Your Honor.

6 THE COURT: Okay. Let me...

7 MR. SAROKHANIAN: Are you referring to the
8 exhibit on Page 103 where we left off?

9 THE COURT: Yeah, on this particular one I
10 didn't get a hard copy because we had it already in the
11 record as a trustee exhibit. And it is indeed Trustee
12 Exhibit 42.

13 MR. SAROKHANIAN: Great.

14 THE COURT: All right. So we're at Page 85
15 is where you wanted to go.

16 MR. SAROKHANIAN: Yes, Your Honor.

17 THE COURT: All right.

18 MR. SAROKHANIAN: Okay, Your Honor, I would
19 like to start at Page 85. I'll start at Line 13. They
20 will be referring to three exhibits, KLM 52, that's 5-2;
21 KLM 53, 5-3; and KLM 54, 5-4.

22 THE COURT: Okay. KLM 52, 53, and 54.

23 Those are subject to Mr. Olson's relevancy objection and
24 have not previously been admitted as I recall.

25 MR. OLSON: That's correct.

1 MR. SAROKHANIAN: I believe that's right.

2 MR. OLSON: We re-urge the objection.

3 THE COURT: Okay.

4 MR. SAROKHANIAN: Can you pull those up,
5 Number 52?

6 And again, this is in the context of
7 Matthew Troster, who is the Old Monmouth stock transfer
8 person. And so this document is a stock transfer
9 ledger, which is showing the transfers of the Green Auto
10 shares. So this is relevant under 727(d)(1), which is
11 the undisclosed assets, and under 727(d)(2), the
12 proceeds of property that ought to have been part of the
13 estate.

14 THE COURT: All right. So this one is 52.
15 I will overrule the objection and admit that.

16 MR. SAROKHANIAN: And the next document is
17 KLM 53. And this again, like KLM 52, is another Old
18 Monmouth stock transfer ledger demonstrating the
19 transfers of the Green Auto shares, so that's relevant
20 under 727(d)(1) as undisclosed assets and 727(d)(2) as
21 proceeds of property of the estate.

22 MS. HANKS: Your Honor, I would just like
23 to clarify. These are actually, all three of them, I
24 believe, are escrow ledgers. Old Monmouth played two
25 roles that are relevant to this case. They were the

1 stock transfer agent for Green Auto, the company. They
2 were also an escrow agent for Daptco Trust, TKY Trust
3 and The Barclay Group. So as transfer agent, the stock
4 certificates would go in and out. They would issue new
5 stock certificates, cancel old ones. What these reflect
6 are the cash proceeds of sales from those entities. And
7 they actually reflect the stock price at which they were
8 sold. And so these show money coming into Old Monmouth
9 as the stock transfer agent after which The Barclay
10 Group, C.J. Comu or one of his colleagues would give
11 instructions about where to wire the cash.

12 THE COURT: I overrule the objection and
13 will admit KLM 53.

14 MR. SAROKHANIAN: And then with regard to
15 KLM 54. Pull that up.

16 And this is similar to KLM Exhibit 52 and
17 53. This is the Old Monmouth ledger and it's relevant
18 just like 52 and 53 under 727(d)(1) and (d)(2)
19 reflecting what my colleague just told the Court about
20 KLM 53.

21 THE COURT: All right. Objection
22 overruled. It will be admitted.

23 MR. SAROKHANIAN: Okay. Starting at Page
24 85, Line 13.

25 "Q. Exhibit 41."

1 MR. SAROKHANIAN: And for the record,
2 that's referring to KLM 52, which was just admitted.

3 "Q. What is that document?"

4 MR. VITAL: One moment. I'm Victor right
5 now. Where am I?

6 MR. SAROKHANIAN: We're on Page 85 at Line
7 13.

8 MS. HANKS: Which exhibit?

9 MR. SAROKHANIAN: And we're referring to
10 KLM Exhibit 52, which was just admitted.

11 "A. It looks like a bad print. Did I
12 supply this to you?

13 "Q. Is that a partial listing of monies
14 received?

15 "A. Yeah, it looks like definitely partial.

16 "Q. Is that something you recall
17 preparing?

18 "A. It's certainly part of my form, but it
19 looks like it's -- it doesn't have all the detail on it.

20 "Q. Can you tell what the purpose would
21 have been for preparing that form of document?

22 "A. This particular one, it's incomplete.

23 "Q. Exhibit 42 and 43."

24 MR. SAROKHANIAN: And for the convenience
25 of the Court, that's referring to KLM Exhibits 53 and 54

1 which were just admitted.

2 THE COURT: Okay.

3 "Q. Could they have been working drafts
4 perhaps where you started doing something and then
5 didn't finish?

6 "A. I don't think so.

7 "Q. Exhibit 44, parenthetically withdrawn,
8 is that an email that you sent to Irving Rothstein on
9 March 5, 2012?

10 "A. This has nothing to do with this
11 company. This is World's, Inc. It must have just
12 gotten in there somehow. It's a different issue.
13 World's online."

14 MR. SAROKHANIAN: And I'm going to move to
15 Line 22. Before I do that, Your Honor, KLM 55 is what
16 they're referring to, and my record shows that's already
17 been admitted.

18 THE COURT: Yes, it has.

19 MR. SAROKHANIAN: Starting at Line 22.

20 "Q. Exhibit 44 is an email string with the
21 top one being an email from "consultant@snbry.com" to
22 you dated March 15, 2012. Can you identify that as an
23 email string that you had?

24 "A. Yes.

25 "Q. Did Dominic sometimes go by Nick?

1 "A. Yeah, I believe so.

2 "Q. I don't understand, maybe you do. At
3 the bottom of Exhibit 44 there appears to have been an
4 email from you to Nick asking, quote, are they asking
5 you to take 500,000 shares of the 2 million shares of
6 Daptco and transfer them to World Wide and have it sent
7 to Portugal, end quote. And Nick's response was?

8 "A. Looks like it's clarifying what they're
9 asking me to do.

10 "Q. Do you understand him to be saying
11 that these were shares of stock for him?

12 "A. It looks like World Wide Auric, quote,
13 please issue the following 500,000 restricted from the
14 Daptco Trust to World Wide Auric."

15 MR. SAROKHANIAN: Moving --

16 "A. End quote."

17 MR. SAROKHANIAN: Moving to Page 89, Line
18 3.

19 "Q. And so the fact that you don't show
20 money in Exhibit 4 --

21 "A. I don't believe there was any funds
22 received for that. And they were just requesting that I
23 send 500,000 shares out. Whether they collect funds on
24 it or not, I don't know.

25 "Q. But you do know that Old Monmouth did

1 not collect funds for them?

2 "A. I'm pretty certain we did not.

3 "Q. Otherwise you would have put it on

4 Exhibit 4?

5 "A. Absolutely."

6 MR. SAROKHANIAN: Moving down to Line 23.

7 MR. OLSON: Your Honor, I don't have an
8 objection, but I think we read all of this yesterday. I
9 think they lost their place. I think when we stopped
10 yesterday we were farther along.

11 THE COURT: We were farther along, but I
12 think you have gone back --

13 MR. SAROKHANIAN: I have --

14 THE COURT: -- to uncovered materials.

15 MR. SAROKHANIAN: I have, but Mr. Olson is
16 right. I'm going to skip ahead to 103. I covered the
17 ground I wanted to.

18 THE COURT: You did cover this yesterday?

19 MR. SAROKHANIAN: Yes. That's correct.

20 MR. OLSON: The first part that he read was
21 not read yesterday.

22 THE COURT: Okay, but this was?

23 MR. OLSON: Yes, ma'am.

24 THE COURT: Okay.

25 MR. SAROKHANIAN: That's right. Mr. Olson

1 is correct. Thank you.

2 THE COURT: All right. So we're going to
3 skip ahead to what?

4 MR. SAROKHANIAN: We'll skip ahead to Page
5 103, starting on Line Number 1. And I will start on
6 Line 1.

7 "Q. I think these are all pretty much the
8 same type of distribution requests. I tried to put them
9 in chronological order. I'm just going to ask you to
10 identify these as being such. Mr. Troster, you have
11 handed us two printouts for 2010 which the court
12 reporter has marked 37A and 37B. Are these the stock
13 transfer records for the year 2010 for Green Automotive,
14 correct?

15 "A. Yes."

16 MR. SAROKHANIAN: And this is referring,
17 Your Honor, to Exhibits KLM 49 and 50, which according
18 to my records, have been admitted.

19 THE COURT: Correct. Okay.

20 "Q. And then she's marked as Exhibit 38
21 the stock transaction reports for 2011, correct?

22 "A. Yes.

23 "Q. And there's no 39 because of what
24 reason?

25 "A. We were no longer agent.

1 "Q. For 2012?"

2 "A. Correct."

3 MR. SAROKHANIAN: And, Your Honor, after
4 this, they enter several exhibits, and I believe there
5 are objections to those. So if you'd like we can take
6 them one after another, because they will be referred to
7 in the testimony I would like to read in in a minute.

8 THE COURT: All right. Go ahead.

9 MR. SAROKHANIAN: Troster Exhibit Number 63
10 is KLM Exhibit Number 62. So if we could pull that up,
11 please.

12 And I'm assuming there's still an objection
13 pending?

14 MR. OLSON: Yes. And again, Your Honor, I
15 don't care how you handle this. Mr. Elmquist could get
16 every one of these exhibits in, so they're going to come
17 in anyway. I'm just trying to figure out how we protect
18 the record, that I don't think it has anything to do
19 with the revocation of discharge issue. So if you want
20 to withhold ruling or if you want to rule on all of them
21 at this point, I really don't care. I will have my
22 record.

23 THE COURT: All right. Well, again, to be
24 clear, the whole bundle, 62 -- well, up through it looks
25 like 81 -- I don't know how far up you're going to go,

1 are subject to a relevancy objection by the defendants.

2 MR. SAROKHANIAN: Uh-huh.

3 THE COURT: Again, as I understand it, they
4 think the Court should not consider this evidence in
5 connection with the 727(d) revocation of discharge
6 issues. So I don't know -- can you just address one by
7 one --

8 MR. SAROKHANIAN: Yes.

9 THE COURT: -- why you think they should be
10 considered in connection with 727(d), why they're
11 relevant?

12 MR. SAROKHANIAN: Absolutely, Your Honor.

13 MS. HANKS: Your Honor, I would like for
14 Mr. Sarokhanian to address the exhibits one by one. But
15 one thing I would just like to say, generally speaking,
16 with the -- when it was determined that the creditor
17 lacked standing to proceed with regard to fraudulent
18 transfers, the trustee was asserting alter ego claims.
19 There are co-plaintiffs, basically, co-challengers to
20 the debtor's status in some respects. And a lot of
21 these facts overlap that support both alter ego and
22 revocation. And so I'm not quite sure I understand
23 either the nature or the grounds for an objection when
24 there is a standing -- there is no question we have
25 alleged 727(d)(1) and (d)(2) as grounds for revocation.

1 And that a lot of the same facts have been alleged by
2 both the trustee and the plaintiff. So I just want to
3 make it clear on the record that I don't think that
4 there is a justifiable basis to object that certain
5 exhibits are relevant for the trustee's claims and not
6 for the plaintiffs.

7 THE COURT: Okay. Understood. But we will
8 hear the more specific response to each exhibit.

9 MR. SAROKHANIAN: Yes, Your Honor.
10 Starting with KLM Exhibit Number 62, which is on the
11 screen, that's a letter from TBG to Old Monmouth. And
12 it pertains to the distribution instructions for a
13 \$25,000 wire transfer that came in.

14 So again, Old Monmouth is acting as escrow
15 agent. So as they're selling shares on behalf of TBG
16 and the other C.J. Comu entities, monies come in. And
17 as escrow agent, they're awaiting instructions on how to
18 distribute it. So this document here is a TBG letter
19 instructing them to distribute \$25,000 among various
20 entities such as World Wide Auric, TBG itself, and Bois
21 d'Arc partners, which you will hear about in the next
22 deposition, as well as Marathon Management, which is
23 another C.J. Comu related entity. So it's relevant
24 under 727(d)(1) and (d)(2).

25 THE COURT: Okay. Objection overruled.

1 It's admitted.

2 MR. SAROKHANIAN: The next document is KLM
3 Exhibit 63. I'll wait for it to be displayed.

4 KLM 63 is another letter from TBG to Old
5 Monmouth stock transfer. Similar to Exhibit Number 62,
6 it's instructing them to distribute an incoming wire
7 among Marathon Management, Bois d'Arc, World Wide Auric,
8 and therefore, is relevant under 727(d)(1) as well as
9 (d)(2).

10 THE COURT: Objection overruled. It's
11 admitted.

12 MR. SAROKHANIAN: The next one is KLM
13 Exhibit 64 -- if we could display that.

14 And like the previous two exhibits, Your
15 Honor, this is a letter from TBG to Old Monmouth, again
16 with distribution instructions for an incoming wire
17 transfer, telling the escrow agent, Old Monmouth, how to
18 distribute the wire among TBG, Marathon, World Wide
19 Auric, and others, including Bois d'Arc, and therefore,
20 it is relevant under 727(d)(1) and (d)(2).

21 THE COURT: Objection overruled. It's
22 admitted.

23 MR. SAROKHANIAN: The next exhibit is KLM
24 Exhibit Number 65 -- if we could display that.

25 Similar to the previous exhibits, this

1 particular letter is from TKY Trust to Old Monmouth
2 stock transfer. And similar to the TBG letters that we
3 just showed you, this is, again, instructions on how to
4 distribute an incoming wire. And it's telling Old
5 Monmouth to distribute it among TKY Trust, The Barclay
6 Group. And this also has handwriting, which is
7 additionally relevant, because it's showing how
8 formalities are ignored and they were combining wire
9 transfers among different entities, which the testimony
10 will explain. And so therefore, it's relevant under
11 727(d)(1) as well as (d)(2).

12 THE COURT: Objection overruled. 65 is
13 admitted.

14 MR. SAROKHANIAN: The next exhibit is KLM
15 66. And I will wait for it to be displayed.

16 Just like KLM 65, Your Honor, this is
17 another letter from TKY Trust to Old Monmouth
18 instructing Old Monmouth on how to distribute the
19 incoming wire transfer among TKY Trust and other
20 entities. The Barclay Group, therefore, it's relevant
21 under 727(d)(1) and (d)(2).

22 THE COURT: Objection overruled. 66 is
23 admitted.

24 MR. SAROKHANIAN: The next exhibit that's
25 been challenged is KLM 67. We have that displayed now.

1 Just like KLM 66 and 65, this is a letter
2 from TKY Trust with wire distribution instructions, but
3 interestingly, this is sent by C.J. Comu at The Barclay
4 Group -- I believe if you scroll down to one of the last
5 pages, you will see that email. And so this is relevant
6 under 727(d)(1) and (d)(2).

7 THE COURT: Objection overruled. 67 is
8 admitted.

9 MR. SAROKHANIAN: The next challenged
10 exhibit is KLM 68. I will wait for that to be
11 displayed.

12 KLM 68 is a Matthew Troster, which is the
13 deponent that we're reading excerpts from, an email to
14 C.J. Comu with TKY Trust wire instructions to Old
15 Monmouth about distribution of the wire transfers. This
16 exhibit also asks from Mr. Troster to C.J. Comu asking
17 for a signature. There apparently in the testimony I
18 believe will explain that there was a question about the
19 proprietary of the instructions without a signature. So
20 it's relevant under 727(d)(1) and (d)(2).

21 THE COURT: Objection overruled. It's
22 admitted, 68.

23 MR. SAROKHANIAN: The next challenged
24 exhibit is KLM 69. Wait for that to be displayed.

25 Like previous exhibits, this is a letter

1 from TKY Trust to Old Monmouth stock transfer. This one
2 is from Mr. Parsley, who is affiliated both with TBG and
3 with Regus, which is the successor in interest, if you
4 will, to TBG. It's where the assets were moved after
5 TBG.

6 So this is an email from Mr. Parsley at
7 Regus sending instructions for TKY Trust, of all things,
8 instructing them to distribute monies to TBG, World Wide
9 Auric, and others. And so it's relevant under 727(d)(1)
10 and (d)(2).

11 THE COURT: Objection overruled. 69 is
12 admitted.

13 MR. SAROKHANIAN: The next challenged
14 exhibit is KLM 70. I will wait for that to show up on
15 the screen.

16 Like KLM 69, this is another wire
17 instruction from Mr. Parsley to TKY, but this time it's
18 on behalf of or from a TBG email account as opposed to
19 the Regus account in KLM 69. This is again instructing
20 Old Monmouth to distribute the incoming wire transfer
21 from sales of shares of Green Auto among TBG and World
22 Wide Auric; therefore, it's relevant under 727(d)(1) and
23 (d)(2).

24 THE COURT: All right. Objection
25 overruled. 70 is admitted.

1 MR. SAROKHANIAN: The next challenged
2 exhibit is KLM 71. Wait for that to show up.

3 And KLM 71 is another instruction from
4 Mr. Parsley at The Barclay Group to Old Monmouth stock
5 transfer pertaining to the distribution of an incoming
6 wire among TBG and World Wide Auric. It's relevant
7 under 727(d)(1) and (d)(2).

8 THE COURT: All right. Objection
9 overruled. 71 is admitted.

10 MR. SAROKHANIAN: The next challenged
11 exhibit is KLM 77. Wait for 77 to come up here.

12 THE COURT: Wait, are we already up to --
13 are we on 72?

14 MR. SAROKHANIAN: We were, but the next
15 thing that's challenged in this transcript is 77, Your
16 Honor.

17 And KLM 77 is a letter from Daptco Trust to
18 Old Monmouth stock transfer. Like the TKY Trust, this
19 time they're dealing with Daptco Trust. Daptco Trust
20 instructions to distribute monies among TBG and World
21 Wide Auric, and so therefore, it's relevant under
22 727(d)(1) and (d)(2).

23 THE COURT: Objection overruled. 77 is
24 admitted.

25 MR. SAROKHANIAN: The next challenged

1 exhibit is KLM 78. We're almost done here. I will wait
2 for that to come up.

3 And this is an instruction from
4 Mr. Parsley, again, on behalf of Daptco Trust to Old
5 Monmouth stock transfer about the distribution of
6 monies, incoming monies to TBG and World Wide Auric, and
7 therefore, is relevant under 727(d)(1) and (d)(2).

8 THE COURT: Objection overruled. 78 is
9 admitted.

10 MR. SAROKHANIAN: The next challenged
11 exhibit is KLM 79. I will wait for that.

12 This is another Daptco letter instructing
13 the Old Monmouth stock transfer to distribute incoming
14 wires to TBG and other entities. And so this is
15 relevant under 727(d)(1) and (d)(2).

16 THE COURT: Objection overruled. 79 is
17 admitted.

18 MR. SAROKHANIAN: And the last exhibit in
19 this bunch, Your Honor, is KLM Number 80.

20 And this, Your Honor, is a FedEx label from
21 Justine Blankenship, who is the Action Stock Transfer
22 Corp, which as you'll recall from previous testimony,
23 took over the stock transfer aspects but did not take
24 over the escrow agent aspects of this scheme. And this
25 is a FedEx label showing that stock certificates of

1 Green Auto -- if you look at the top, you will see a
2 reference to Green Auto shares -- are being sent to
3 World Wide Auric in Lisbon, Portugal. And so this is
4 relevant under 727(d)(1) and (d)(2).

5 THE COURT: All right. Objection
6 overruled. 80 is admitted.

7 MR. SAROKHANIAN: Thank you, Your Honor.
8 And now I will proceed to Page 108, Line 3.
9 Some of the exhibits that they're referring to, and I
10 will point it out for the Court, are trustee's exhibits
11 that have already been admitted. I will be sure for the
12 record to point that out to avoid any confusion.

13 THE COURT: Okay.

14 MR. SAROKHANIAN: Page 108, Line 3.

15 "Q. And whenever there were escrow --
16 whenever there were stock transfer fees from these
17 transactions, they were all billed to C.J. Comu at The
18 Barclay Group, were they not?

19 "A. For that particular one, yes, it would
20 have been sent to The Barclay Group under C.J. This is
21 Old Monmouth's bill.

22 "Q. Right. So Old Monmouth would bill C.J.
23 even for transactions relating to Daptco Trust, would it
24 not?

25 "A. I assume so. It looks like The Barclay

1 Group here.

2 "Q. Yeah, now we've got a stack of
3 documents here starting with Exhibit 63 through
4 Exhibit 89. And I have tried to put them in
5 chronological order. Are those all copies of
6 distribution instructions that Old Monmouth received on
7 for the dates indicated?

8 "A. Yes.

9 "Q. And directing your attention to
10 Exhibit 74."

11 MR. SAROKHANIAN: And for that record, that
12 is referring to KLM Exhibit 67, which has been admitted.

13 THE COURT: Okay.

14 "Q. Which is the distribution instructions
15 for January 25, 2012, relating to TK Trust. That set of
16 instructions for TKY Trust was actually sent to Old
17 Monmouth by C.J. Comu, was it not, if you look at the
18 last page?

19 "A. Yes.

20 "Q. And generally, was it your
21 understanding that C.J. Comu was directing how all the
22 different distributions were being made?

23 "A. Yes."

24 MR. SAROKHANIAN: Moving to Line 17.

25 "Q. The stock that you were dealing with

1 for Green Automotive was known as Rule 144 stock.

2 "A. I believe it's restricted shares, yes.

3 "Q. Meaning stock that had not been
4 registered with the SEC?

5 "A. Correct.

6 "Q. Did Old Monmouth make any determination
7 as to how to comply with the law in making these sales
8 of stock?

9 "A. We were just acting as escrow agent.

10 We weren't part of the sale.

11 "Q. Was it part of your understanding and
12 agreement with Mr. Comu that it would be up to him to
13 make sure that the law's complied with in these sales?

14 "A. That's certainly my feelings on it.

15 "Q. And did any employee on behalf of Old
16 Monmouth ever get involved in making representations to
17 purchasers as to whether this was a good or bad
18 investment?

19 "A. No, we would not."

20 MR. SAROKHANIAN: Moving to Page 112, Line
21 6.

22 "Q. Okay. If I understood you correctly,
23 at the time the Green Auto stock came out of that
24 merger, Old Monmouth was also the transfer agent for the
25 publicly traded common stock?"

1 "A. We've been agent for quite some time
2 for the original company. What the name was, I don't
3 recall.

4 "Q. So over the 20 years or so that you
5 have been in business, your company has transferred both
6 publicly traded common stocks and also transferred
7 restricted stocks?

8 "A. Yes.

9 "Q. Okay. And it's not at all unusual for
10 a restricted stock to get sold and transferred on your
11 books, is it?

12 "A. As far as sales? We usually don't know
13 if it's a sale, we consider it a transfer.

14 "Q. The 144 rule basically is if it's
15 restricted struck" --

16 MR. SAROKHANIAN: I think it's supposed to
17 say "stock".

18 "Q -- has a legend after the transfer, the
19 new certificate is supposed to keep the legend?

20 "A. Yes.

21 "Q. And if you do that, then you can
22 transfer the stock and it goes out as restricted stock
23 bearing that same legend?

24 "A. Yes."

25 MR. SAROKHANIAN: Moving to Page 117, Line

1 11.

2 "Q. And there come a time in -- I guess in
3 November of 2011 when Green Auto decided to transfer the
4 transfer agent responsibility to Action?

5 "A. Action Stock Transfer.

6 "Q. That was a decision made by Green Auto?

7 "A. Yes.

8 "Q. And not by The Barclay Group or Comu?

9 "A. Yes.

10 "Q. And, in fact, after that was done The
11 Barclay Group and Daptco and TKY kept their escrow
12 agreements with Old Monmouth?

13 "A. Yes.

14 "Q. If you would look at Exhibit 24 just to
15 clarify for the Court the process. The particular stock
16 certificate is dated what date?

17 "A. April 19, 2012.

18 "Q. So this is after Old Monmouth was no
19 longer the transfer agent?

20 "A. Correct. It would have been Action
21 Stock Transfer.

22 "Q. So when a sale of the restricted Green
23 Auto stock took place, you testified earlier I think,
24 you would notify Action Stock Transfer that you had
25 gotten the proceeds from the sale of the stock and you

1 would hold the proceeds in escrow until the stock
2 certificate got issued and you could tell that the buyer
3 received the stock and then you would release the funds
4 pursuant to the instructions you had gotten?

5 "A. As soon as I received confirmation
6 from the transfer agent that the shares had been sent
7 out, then I can release the funds, right."

8 MR. SAROKHANIAN: Moving to Page 119,
9 starting at Line 1.

10 "Q. And when you got notified that this
11 had not only been prepared but also sent to the buyer,
12 then you would release the funds you were holding in
13 escrow?

14 "A. Yes.

15 "Q. All right. Let me show you
16 Exhibit 25. Mr. Elmquist had some questions about this
17 particular stock transfer agreement. Do you recall
18 looking at it and him asking you questions about it?

19 "A. Yes."

20 MR. SAROKHANIAN: And that concludes the
21 excerpts from Matthew Troster's deposition, Your Honor.

22 THE COURT: All right.

23 MS. HANKS: Your Honor, there are a number
24 of exhibits that I believe were introduced into the
25 deposition that were either not discussed in a way that

1 was amenable to deposition excerpts, that we have either
2 offered or that have been designated as plaintiff's
3 exhibits. So we would like at this time to specifically
4 offer those and raise those. I believe there have been
5 relevance objections to them.

6 THE COURT: All right. Which one are
7 those?

8 MS. HANKS: The first one is KLM
9 Exhibit 39.

10 THE COURT: Okay.

11 MS. HANKS: Yes. This is very similar to a
12 lot of the exhibits that the Court has already seen.
13 This is a distribution instruction letter regarding
14 funds, in this case particularly significant funds,
15 upwards of \$100,000 to World Wide Auric out in Portugal
16 or I believe the account was actually in Lichtenstein,
17 and The Barclay Group, and therefore, relevant under
18 both 727(d)(1) and (d)(2).

19 THE COURT: All right. Objection
20 overruled. 39 is admitted.

21 MS. HANKS: The next is KLM Exhibit 40.

22 THE COURT: Okay.

23 MS. HANKS: This is a document prepared by
24 Old Monmouth. It is a ledger of escrow funds deposited
25 into The Barclay Group escrow account and actually --

1 actually, no, I apologize, Your Honor -- no, that's
2 correct. This reflects wire transfers received, if you
3 look at the top, amount received and how received. So
4 it's either by check or by wire transfer and the date on
5 which the wire was either sent or the check was
6 received. And particular purchasers of stock through
7 The Barclay Group account with Old Monmouth, and
8 therefore, this is relevant both to the extent that it
9 is the dissipation of assets belonging to the estate as
10 well as the concealment of assets that are being moved.

11 THE COURT: All right. Objection is
12 overruled. KLM 40 is admitted.

13 MS. HANKS: The next is KLM Exhibit 44.
14 And this is an email dated April 19th, 2012. And just
15 to give the Court a little bit of a bookend context,
16 this is after the transfer of stock transfer duties to
17 Action Stock Transfer -- I had too many "transfers" in
18 one sentence. And so Matt Troster from Old Monmouth is
19 coordinating with Justine Blankenship in order to make
20 sure that the stock certificates are distributed
21 according to the instructions from, in this case this is
22 Daptco.

23 THE COURT: Okay. Objection overruled.
24 KLM 44 is admitted.

25 MS. HANKS: The next KLM exhibit, I believe

1 this has actually already been offered, but I'm not sure
2 there's been a ruling on it. This is KLM Exhibit 72.

3 THE COURT: No, we have not discussed 72.

4 MS. HANKS: Okay. Great. And this is
5 another stock transfer instruction -- I apologize --
6 distribution instruction -- that came from David Parsley
7 at The Barclay Group and was instructing Old Monmouth
8 how to distribute funds received from the TKY Trust for
9 the sale of stock that had been issued in TKY Trust's
10 name. And those distributions are going both to Barclay
11 Group, TKY Trust, and a number of other regular
12 recipients of substantial cash infusions from Barclay
13 Group funds.

14 THE COURT: All right.

15 MS. HANKS: And Daptco funds and TKY funds.

16 THE COURT: Objection overruled. 72 will
17 be admitted.

18 MS. HANKS: And the next one is exhibit KLM
19 Exhibit 73.

20 THE COURT: Okay.

21 MS. HANKS: This is the March 8th, 2012
22 letter to Old Monmouth stock transfer concerning
23 distribution of funds in the TKY Trust escrow account.
24 And it is attached to a transmittal letter from C.J.
25 Comu's personal email account, which both supports

1 disposition of assets belonging to the estate as well as
2 Mr. Comu's control over the Canadian trust that he has
3 alleged to be both belonging to his brother and a
4 separate entity not related to his own business, and
5 yet, it's distributing funds. He is instructing the
6 distribution of cash funds from the sale of allegedly
7 TKY assets.

8 THE COURT: All right. Objection
9 overruled. 73 is admitted.

10 MS. HANKS: The next exhibit, it's KLM
11 Exhibit 74. This is same thing as 73, Your Honor, but a
12 couple of days later. This is March 12th, 2012. And at
13 this point the -- and I think this is what the exhibits
14 reflect, the holdings of stock in these particular
15 accounts of Old Monmouth are starting to dwindle. And
16 so there becomes a question of whose -- of where the
17 stock is going and where the cash is being attributed to
18 and so you start seeing some overlap.

19 In this particular exhibit, this is a
20 transmittal email from C.J. Comu's TBG email account but
21 the email is actually signed by David Parsley. And it
22 concerns TKY Trust funds.

23 THE COURT: Objection overruled. KLM 74 is
24 admitted.

25 MS. HANKS: KLM Exhibit 75 is the next,

1 Your Honor.

2 MR. OLSON: Your Honor, I may be living
3 groundhog day, but I thought we admitted all of these
4 through 80 just a few minutes ago.

5 THE COURT: There was some skipping around.
6 There was a gap.

7 MR. OLSON: All right.

8 THE COURT: From 72 to I forget what.

9 MR. SAROKHANIAN: 77.

10 THE COURT: 77, that wasn't.

11 MR. OLSON: All right. And again, the only
12 objection to these was they happened after the second
13 amended complaint was filed or they deal with events
14 that we only learned after that. So any way to speed
15 that up is fine with me. I've got my record. And
16 again, Mr. Elmquist will get them all in anyway.

17 THE COURT: All right. I think we're
18 almost there, so just -- we're at 75 now?

19 MS. HANKS: Yes. KLM Exhibit 75 is a
20 March 15th, 2012 instruction letter from TKY Trust, just
21 to distribute assets or to distribute cash proceeds
22 received from the sale of stock through Old Monmouth.
23 And I believe that this may only reflect wire transfer
24 instructions, but it includes wire transfer instructions
25 pertaining to World Wide Auric in the account in

1 Lichtenstein as well as the physical location in
2 Portugal. And TKY Trust and Barclay Group overlap.

3 THE COURT: All right. Objection
4 overruled, 75 is admitted.

5 MS. HANKS: KLM Exhibit 76. It is the week
6 after KLM Exhibit 75. It is a March 22nd, 2012
7 instruction letter, but this one is from Daptco Trust,
8 which is the other Canadian trust that is in Mr. Comu's
9 brother's name. And again, cash proceeds to -- although
10 this one reflects Turks and Caicos and as well as the
11 Lichtenstein account. And again, it's a lot of the same
12 entities. It's the overlapping instructions. It's the
13 assets that originated with the estate and should have
14 been made available to estate creditors.

15 THE COURT: Objection overruled. KLM 76 is
16 admitted.

17 MS. HANKS: Just a couple more, Your Honor.
18 Thank you for your patience. KLM Exhibit 80.

19 THE COURT: We have already done 80.

20 MS. HANKS: We have?

21 THE COURT: Uh-huh.

22 MS. HANKS: And just confirm that's been
23 admitted?

24 THE COURT: It has been admitted.

25 MS. HANKS: And KLM 81, Your Honor.

1 THE COURT: Okay.

2 MS. HANKS: This is in addition to
3 transferring cash proceeds from the sale of stock in
4 either TKY, Daptco or Barclay Group through Old
5 Monmouth, there were actually substantial stock
6 transfers by virtue of stock certificates to World Wide
7 Auric. And I believe these were sent to Portugal to the
8 physical address in Portugal, although I believe the
9 correspondence will shed some light on that. But that's
10 why it's relevant, Your Honor.

11 THE COURT: All right. Objection
12 overruled. 81 is admitted.

13 MS. HANKS: Your Honor, those are all the
14 Troster exhibits that I believe have been either
15 designated by KLM, and the remainder have either been
16 designated by the trustee or by another party.

17 THE COURT: All right. Thank you.

18 Does any other counsel wish to add
19 deposition excerpts to the record from the Matthew
20 Troster deposition?

21 MR. ELMQUIST: No, Your Honor, none from
22 the trustee.

23 THE COURT: All right, Mr. Olson.

24 MR. OLSON: Yes, Your Honor, on Page 28.

25 THE COURT: All right.

1 MR. OLSON: Lines 4 through 9.

2 THE COURT: 28, Lines 4 through 9, I have
3 read them.

4 MR. OLSON: All right. On Page 98, Lines
5 17 through -- trying to figure out where to cut it
6 off -- Line 1 on Page 99.

7 THE COURT: All right. I have read them.

8 MR. OLSON: And if I may have just a
9 moment. There's a place where my examination of the
10 witness started and we read some of that in.

11 Page 113, Line 13 through Page 114, Line
12 16.

13 THE COURT: Okay.

14 MR. OLSON: I think that will cover it,
15 Your Honor.

16 THE COURT: All right. I have read that.
17 Anything further on Matthew Troster?

18 All right then, that concludes witness
19 number five.

20 Plaintiffs, you may call your next witness.

21 MR. SAROKHANIAN: Your Honor, we call
22 Edward Baxter through deposition. And if I may approach
23 and distribute highlighted transcripts.

24 THE COURT: You may.

25 MR. SAROKHANIAN: Thank you, Your Honor.

1 Disregard the paperclips, pull them out.

2 MR. OLSON: I don't think we've got ours
3 yet.

4 MR. SAROKHANIAN: No, I will bring it to
5 you.

6 MR. OLSON: That's fine.

7 MR. SAROKHANIAN: I'm just giving you
8 advance notice that they look a little strange.

9 MR. OLSON: All right. Thanks.

10 THE COURT: Okay.

11 MR. SAROKHANIAN: I will begin the excerpts
12 from Mr. Baxter's deposition on Page 4, Line 8. The
13 questioning is by Mr. Elmquist.

14 THE COURT: Okay.

15 "Q. Good morning, Mr. Baxter. Thank you
16 for coming this morning. I am here to take your
17 deposition in a lawsuit that's been pending for some
18 time in the bankruptcy case of Mr. C.J. Comu. And do
19 you know anything about that lawsuit?

20 "A. I didn't know about it until just
21 before I left. It was one of those things that came up
22 that I found out about the end of 2010, early 2011,
23 somewhere in that range."

24 MR. SAROKHANIAN: Moving to Page 5 -- or
25 excuse me -- I will start at Line 22 on Page 4.

1 "Q. Okay. I have handed you what's been
2 marked Exhibit 1. I would just like you to confirm that
3 you received a copy of this deposition notice and
4 subpoena.

5 "A. Yes, I received a copy.

6 "Q. Okay. And we talked the other day, but
7 I just want to confirm on the record. If you will take
8 a look at the last two pages of Exhibit 1, we discussed
9 the list is the last two pages where it says, quote,
10 documents to be produced, end quote.

11 "A. Okay.

12 "Q. You and I discussed on the phone the
13 other day the fact that you have none of the documents
14 described there; is that right?

15 "A. Those documents never existed. I never
16 had any relationship with -- well, the relationship with
17 TBG was verbal. Daptco, nothing there. TKY, don't know
18 anything about them. Don't have any written agreements
19 as far as BDP is concerned with any affiliate of him or
20 otherwise. The only documents evidencing payment would
21 have been just deposits to my account, which are part of
22 the Troster roster, because every one of them went
23 through that scenario.

24 "Q. Okay. Do you recall there being any
25 kind of written communications with Mr. Comu or anyone

1 at The Barclay Group about these stock transactions at
2 the time they were occurring other than in relation to
3 payments being made?

4 "A. No.

5 "Q. So there were no discussions about
6 terms of what consideration any of the individuals who
7 facilitated the transaction would have received for
8 those services?

9 "A. No, those were all things I wasn't
10 privy to."

11 MR. SAROKHANIAN: Jumping to Line 25.

12 "Q. Okay. Where did you go to work after
13 that?

14 "A. Actually I did not work. I kind of
15 took a sabbatical and '89 was the first year I actually
16 met C.J.

17 "Q. Okay. Was that in a business context?

18 "A. Friendly and business.

19 "Q. Okay. Did you go to work for him in
20 some capacity?

21 "A. For about three months, yeah.

22 "Q. What did you do?

23 "A. At that time he was setting up
24 corporations for people who wanted to have foreign
25 resided corporations.

1 "Q. Okay. And what kind of work did you do
2 in that regard?

3 "A. My job was to find clients who wanted
4 to have a foreign corporation."

5 MR. SAROKHANIAN: Moving to Page 8, Line
6 11.

7 "Q. Okay. All right. Tell me about what
8 you did in '94.

9 "A. From '94 to 2007 I ran my own small
10 financial practice.

11 "Q. What was the name of that business?

12 "A. Brook Street Securities. Brook Street
13 was a broker dealer that failed in '07 for a variety of
14 reasons. But they wouldn't allow you to have your own
15 name. You had to use the company name.

16 "Q. I see. Was anyone else associated with
17 you in that business?

18 "A. No, I was self-employed, ran my own
19 shop for, I guess, 13 years.

20 "Q. Did you have any business interaction
21 with Mr. Comu while you were with Brook Street
22 Securities?

23 "A. No. Never saw him again after the
24 original engagement in '89. I haven't seen him for
25 almost 20 years."

1 MR. SAROKHANIAN: And this is by Mr. Olson.

2 "Q. Take a look at Exhibit 2 and tell me if
3 you recognize that document.

4 "A. Yeah. This is my incorporation of Bois
5 d'Arc partners. Bois d'Arc is a street I grew up on in
6 Tyler.

7 "Q. Okay. We were all wondering because
8 the name has come up and we were wondering how that came
9 to be.

10 "A. Okay. So what did Bois d'Arc partner
11 do or does?

12 MR. OLSON: Your Honor, objection. That's
13 my question and in West Texas that's "Bo Dark"
14 (phonetic).

15 THE COURT: His objection to pronunciation.
16 All right. I don't think I need to rule on that. You
17 may proceed.

18 MR. SAROKHANIAN: Line 13, Victor.

19 "A. Well, pretty much it wasn't dormant.
20 Bois d'Arc Partners couldn't be used as a business
21 ownership (inaudible) company while I was at Brook
22 Street. What it was designed to do was a couple of
23 things. One, hold my intellectual property. I knew
24 that I would be writing a book and I actually ended up
25 writing a book. Two, I was buying and collecting

1 websites or web addresses and essentially Bois d'Arc
2 Partners was designed to be a holding pool for all the
3 different intellectual properties I would have had -- I
4 would have in anything else I bought.

5 "Q. Okay. Has it ever operated for those
6 purposes?

7 "A. Yeah, I mean buy cars in Bois d'Arc
8 Partners' name, a couple of them are. All of my
9 websites, they are all part of -- they're all part --
10 well, the ones I have are part of Bois d'Arc Partners
11 ownership. So it's kind of a dormant company. It
12 didn't have any revenue at all up until, you know,
13 recently.

14 "Q. When did Bois d'Arc Partners have or
15 commence any type of business relationship with
16 Mr. Comu?

17 "A. Let me go back and remember the exact
18 date. Probably either 2009 or early 2010, somewhere in
19 that range.

20 "Q. Okay. And how did that come about, how
21 did you -- how did Bois d'Arc Partners and you, on
22 behalf of Bois d'Arc Partners, have a business
23 relationship with Mr. Comu?

24 "A. I was at a mixer at Brookhaven Country
25 Club and there was a guy there named Saul Album. And at

1 the time I think Saul was working with C.J., and we were
2 looking for new projects. And we knew that we knew that
3 they were starting a new project and Saul asked me if I
4 was interested in getting involved in a new project.
5 And C.J.'s name came up.

6 "Q. What type of project were you
7 discussing, do you recall?

8 "A. Electric car company.

9 "Q. So was this something relating to Green
10 Automotive Company?

11 "A. Yes, it was the genesis of Green Auto.
12 I think it already existed at the time. It just -- it
13 was a scenario where they were looking to put together a
14 syndicate to try to raise the seed capital for Green
15 Auto.

16 "Q. So after that mixer did you get
17 involved with the efforts to raise capital for Green
18 Automotive Company?

19 "A. Yes, I had people I knew who were
20 interested in investing in small companies and were
21 interested in a startup. And a number of those people
22 came aboard and decided to invest in the company.

23 "Q. In what manner did they invest in the
24 company?

25 "A. They bought stock in the company.

1 "Q. From The Barclay Group or others?

2 "A. The only one I know was The Barclay
3 Group."

4 MR. SAROKHANIAN: And, Your Honor, they're
5 going to refer to KLM Exhibit 39, which I believe has
6 been previously admitted.

7 THE COURT: It has.

8 "Q. Let me show you what has been
9 previously marked -- we're marking it today as Baxter
10 Exhibit 3. It's previously marked in the deposition of
11 Matt Troster at Exhibit 12. Are you familiar with that
12 name, Matt Troster?

13 "A. Matt Troster is the -- I don't know if
14 he's the owner -- one of the managers of Old Monmouth.

15 "Q. Okay. And this letter appears to be
16 signed by you as managing partner of The Barclay Group,
17 do you see that?

18 "A. Right. Everybody at The Barclay Group
19 was a managing partner. Anybody who came here with C.J.
20 had that title.

21 "Q. So what did you do at The Barclay Group
22 in July of 2011?

23 "A. This is pretty much it. Any time that
24 there was a transaction where there was a sale of stock
25 of The Barclay Group, it was my job to create this type

1 of report.

2 "Q. But at this time you were also
3 connected with the principal of Bois d'Arc Partners,
4 correct?

5 "A. Well, Bois d'Arc Partners is the -- it
6 was the recipient of what I used as far as money was
7 concerned. Bois d'Arc Partners was the bank account I
8 used to take in the money that I received from anybody
9 that I got any money from.

10 "Q. My question is in January -- or excuse
11 me -- July of 2011 you were the sole owner of Bois d'Arc
12 Partners; is that right?

13 "A. I have always been the sole owner of
14 Bois d'Arc Partners.

15 "Q. Okay. So the \$27,000 payment that is
16 addressed here as a payment to Bois d'Arc Partners would
17 be a payment to your company Bois d'Arc Partners and --
18 first of all, is that correct?

19 "A. Yes.

20 "Q. Okay. What did Bois d'Arc Partners do
21 to receive this 25 -- \$27,000 payment in connection with
22 the sale of Green Auto stock?

23 "A. I was told that this was my portion of
24 the sale of the company stock. I didn't ask
25 specifically any particular type of requirement or

1 whatever. He had said, well, whatever comes in, I will
2 give you a piece of it.

3 "Q. Okay. So are you saying that the
4 \$27,000 fee that Bois d'Arc Partners received was
5 something that Mr. Comu solely determined?

6 "A. For the most part, yes.

7 "Q. You don't recall having any discussions
8 or negotiations regarding a fee that Bois d'Arc would
9 receive in connection with these transactions?

10 "A. It varied. There was no specific
11 discussion about what the actual fees would be, because
12 they varied, depending on what the amount of money that
13 came in was. We had no idea what that would be.

14 "Q. Well, would it be based on a percentage
15 of the money coming in.

16 "A. Somewhere -- it was usually somewhere
17 around 50, you know, in that range. It was in that
18 range, but it wasn't guaranteed.

19 "Q. 50 what.

20 "A. 50 percent.

21 "Q. So who was entitled to receive
22 50 percent of whatever was coming in?

23 "A. Bois d'Arc Partners was entitled to
24 receive a percentage up to 50 percent of whatever came
25 in, but that number would change based on if there was a

1 need elsewhere.

2 "Q. And what services did Bois d'Arc
3 Partners provide to receive this fee?

4 "A. Well, my job was to manage these types
5 of transactions to make sure that all the parties that
6 were a party to creating these transactions received
7 what they were supposed to receive.

8 "Q. Did Bois d'Arc Partners locate the
9 purchasers of stock in connection with these
10 transactions, some or all of the purchasers --

11 "A. No.

12 "Q -- of Green Auto stock?

13 "A. No. We didn't locate these purchasers
14 at all.

15 "Q. Okay. So I'm not clear then of what
16 Bois d'Arc Partners did for the fee it received. Would
17 you explain that to me?

18 "A. Well, Bois d'Arc Partners received its
19 fee for, I guess for lack of a better term, the clerical
20 aspects of this transaction. If he was not around, if
21 he was traveling or whatever, my job was to make sure
22 that all these things were done. I received a report
23 or, you know, a verbal information. We would take that
24 verbal information, put it in this particular form, and
25 it would be approved by C.J.

1 "Q. There's another company listed here as
2 receiving the wire transfer called World Wide Auric. Do
3 you see that?

4 "A. See it.

5 "Q. Do you know anything about World Wide
6 Auric?

7 "A. I only know it by its name and one guy
8 who was involved with the company.

9 "Q. Who was that?

10 "A. Nick Toscano.

11 "Q. Would you spell the last name, please?

12 "A. T-O-S-C-A-N-O.

13 "Q. Did you or Bois d'Arc Partners have any
14 business dealings with World Wide Auric?

15 "A. Other than this, no. What would happen
16 was Auric and C.J. or whoever Auric was, they
17 communicated amongst themselves. And I was essentially
18 told that the instructions were with regard to how this
19 particular format would be created."

20 MR. SAROKHANIAN: Now moving to Page 11,
21 Line -- sorry -- Page 16, Line 11. They will be
22 referring to what's been admitted as Trustee's
23 Exhibit 67.

24 THE COURT: Okay.

25 MR. SAROKHANIAN: And this is a question by

1 Mr. Elmquist.

2 "Q. Take a look at what's been marked as
3 Baxter Number 4. This letter appears to be similar in
4 nature to Baxter 3 in that it is a document sent to or
5 instruction letters essentially sent by you to Old
6 Monmouth regarding instructions on payment of wire
7 transfers; is that right?

8 "A. Right. They were all the same. They
9 are all essentially the same format.

10 "Q. Okay. And you signed it as managing
11 partner. Would that again be managing partner of
12 Barclay Group?

13 "A. Managing partner of Barclay Group is
14 the way it's signed. It's kind of a misnomer. Like I
15 said, everybody who worked at TBG was a managing
16 partner. C.J. gave us all that -- all the same title.

17 "Q. Did you receive any compensation from
18 The Barclay Group separate and apart from what Bois
19 d'Arc Partners was receiving in these transactions?

20 "A. No.

21 "Q. And if I don't (sic) mention already
22 this is Troster 14. Take a look at the second page if
23 you will and tell me if you will recognize any of the
24 companies that are listed on the second page as far as
25 your having any kind of business dealings or interaction

1 with any of those companies.

2 "A. The only interactions we had with these
3 companies was we were told to pay them by World Wide
4 Auric. To my knowledge, they were agents of World Wide
5 Auric. And this is why we were given instructions to
6 pay them for any activity they had with regard to TBG
7 and World Wide Auric. The specifics of the transactions
8 themselves I wasn't necessarily privy to. My job was to
9 make sure that the reports -- that the report got out.

10 "Q. And what services did Bois d'Arc
11 Partners provide for the \$25,000 fee it received in this
12 transaction?

13 "A. They were all the same. This was an
14 arbitrary number in most cases. It was identified by
15 him and, quote, him being C.J. With regard to what he
16 thought BDP's portion of whatever the sale was that
17 particular week.

18 "Q. So again the amount that Bois d'Arc
19 Partners received in this transaction was something that
20 Mr. Comu determined?

21 "A. Well, yes. He's the leader of the
22 company so he determined, you know, what we received.
23 He didn't determine what these guys received. He
24 determined anything I received was, you know, quote,
25 unquote, on approval by him."

1 MR. SAROKHANIAN: And, Your Honor, they're
2 going to be referring to KLM Exhibit 41, which has been
3 previously admitted. And I will be moving to Page 19,
4 Line 24.

5 THE COURT: All right.

6 "Q. So once again this is a situation in
7 which Bois d'Arc Partners received a fee that Mr. Comu
8 determined and you had no involvement in determining the
9 amount of that fee?

10 "A. No, the figure again would be arbitrary
11 in the sense that we never knew what the number would be
12 until we got the report from all these guys.

13 "Q. And there is no written communication
14 of any kind that you're aware of that addressed the
15 amount of fees Bois d'Arc Partners would receive in
16 these transactions?

17 "A. Didn't need to. I was sitting right
18 next to the guy in the office. But the answer to that
19 is no, not to my knowledge."

20 MR. SAROKHANIAN: Moving to Page 21, Line
21 12. They are referring to what's been previously
22 admitted as KLM Exhibit 42.

23 THE COURT: Okay.

24 "Q. I hand you what's been" --

25 MR. SAROKHANIAN: Has 42 been admitted,

1 Your Honor?

2 THE COURT: Well, wait. 42 was actually
3 not objected to by Mr. Olson, so it's admitted.

4 MR. SAROKHANIAN: Okay, great.

5 "Q. I hand you what's been marked as
6 Baxter Number 6, which has previously been marked as
7 Troster 17. These are outgoing wire transfer forms that
8 Mr. Troster filled out for purposes of the wire
9 transfers that were made in accordance with the
10 instructions he received. If you will turn to the third
11 page of this document you will see there's a page here
12 for Bois d'Arc Partners. The address you just gave me,
13 is this address shown on Exhibit 6 on Huffines Drive?

14 "A. Yeah.

15 "Q. Is the account number list, is that a
16 Bois d'Arc Partners account 7783959005.

17 "A. That's my account."

18 MR. SAROKHANIAN: Moving to Page 22, Line
19 1.

20 "Q. Was that your personal account or is
21 this an account of Bois d'Arc Partners.

22 "A. That account's in the name of Bois
23 d'Arc Partners."

24 MR. SAROKHANIAN: Your Honor, they're
25 referring now to KLM Exhibit 62, which I believe has

1 been admitted.

2 THE COURT: Yes, it has.

3 "Q. Take a look at Exhibit 7, please.

4 That's Troster Exhibit 63. Do you recognize the stamped
5 signature there to be the one that was affixed there by
6 you on Page 2?

7 "A. Yes. That would have been me. This
8 would have been one of the last ones I did, I think.

9 "Q. Is your answer on this transaction the
10 same, that Mr. Comu determined the fee paid to Bois
11 d'Arc Partners?

12 "A. Correct.

13 "Q. And you had no involvement in
14 determining that fee?

15 "A. Correct.

16 "Q. And did you have any business
17 interaction with any of the entities listed in Baxter
18 Number 7?

19 "A. None."

20 MR. SAROKHANIAN: They will next be
21 referring to KLM Exhibit 63, which I believe has been
22 previously admitted.

23 THE COURT: Yes, it has.

24 "Q. Take a look at Baxter Number 8, if you
25 would, which is previously marked as Troster 64. The

1 stamped signature is one you affixed there; is that
2 correct?

3 "A. That would be correct.

4 "Q. And the fee that was set forth here for
5 Bois d'Arc Partners is a fee that Mr. Comu determined?

6 "A. Correct.

7 "Q. With no involvement by you in
8 determining that fee?

9 "A. That's correct.

10 "Q. Take a look at the name on the second
11 page, Capital Asset Management Partners, Inc. Did you
12 have any business dealings with that company?

13 "A. No."

14 MR. SAROKHANIAN: And they will next be
15 referring to KLM Exhibit 64, which I believe has been
16 previously admitted.

17 THE COURT: It has.

18 "Q. All right. Take a look at Baxter 9,
19 which was previously marked as Troster 66. Are your
20 answers on this document the same, the affixed signature
21 is one you affix there?

22 "A. Yes.

23 "Q. The fee that was set forth here for The
24 Barclay Group was determined by Mr. Comu with no
25 involvement by you; is that correct?

1 "A. That's correct.

2 "Q. Let me ask you, with respect to all
3 these documents that we have been looking at that show
4 instructions for fee paid to The Barclay Group, is your
5 answer the same in terms of the services performed that
6 these would have been simply clerical services that were
7 performed by you in connection with these transactions?

8 "A. Yes.

9 "Q. How was it that the fees were being
10 paid to Bois d'Arc Partners and not to you individually?

11 "A. It's an LLC. It's a business. It's
12 designed to be like any other corporation. I mean I
13 don't really know how to answer that question.

14 "Q. All right. Well, did you indicate to
15 Mr. Comu that the payments that were to be made for the
16 services you performed should be made payable to Bois
17 d'Arc Partners and not you individually?

18 "A. Yes. In the broker -- in the
19 broker/dealer community you can't pay an LLC. You can
20 only pay an individual as, quote, unquote, the
21 independent contractor for TBG. That's the role that
22 Bois d'Arc Partners played.

23 "Q. Say that again. The role that Bois
24 d'Arc Partners played for The Barclay Group was?

25 "A. An independent contract operating in

1 this realm. That was the way I received my payment."

2 MR. SAROKHANIAN: Moving to Page 25, Line
3 11.

4 "Q. Okay. So tell me about what you did to
5 ensure that the transaction went as it was supposed to
6 go. What did you actually do to assure that?

7 "A. Again, whenever these were done,
8 typically he was sitting next to me, he would say you
9 need to do this, this, this, this, and this. That's
10 what I did.

11 "Q. So you would receive instructions from
12 Mr. Comu with respect to the transactions that are
13 reflected in these exhibits we have been looking at?

14 "A. Correct.

15 "Q. Were the instructions you received oral
16 instructions or written instructions?

17 "A. Probably 90 percent of the time they
18 were oral.

19 "Q. Did the instructions include the
20 parties that were to receive payments from the stock
21 sales insofar as who was to receive the payments and the
22 amounts received?

23 "A. Exactly. They were very precise. All
24 the companies you see on this page were all companies
25 that were receiving the compensation for the transaction

1 and the instructions with regard to how the payments
2 were given to me and my job was to execute that.

3 "Q. On average how much time would you
4 estimate you spent putting these transactions together
5 or basically fulfilling the instructions that you
6 received from Mr. Comu?

7 "A. Typically it took about two hours. The
8 rest of the day was spent doing other things that were
9 about other projects. This was not my own project."

10 MR. SAROKHANIAN: Moving to Page 27,
11 starting on Line 3.

12 "Q. Starting with the email at the bottom
13 of the page where it shows from "admin@thebarclaygroup",
14 do you know who that is?

15 "A. That's just a general address for The
16 Barclay Group.

17 "Q. Did you receive -- did you personally
18 receive emails that were sent to that email address?

19 "A. I had access to it, but other people
20 had access to it also.

21 "Q. Did you have a personal email address
22 at The Barclay Group --

23 "A. Yes.

24 "Q -- that was individualized?

25 "A. Ebaxter@thebarclaygroup .com."

1 MR. SAROKHANIAN: Moving to Page 33, Line
2 20.

3 "Q. Well, I guess what you're saying is
4 you're not sure whether these investors that you brought
5 to the table, so to speak, were buying stock directly
6 from Green Auto or buying it through Barclay Group?

7 "A. You know, the stock was delivered from
8 Green Auto so I assumed it was from Green Auto.

9 "Q. But you don't know whether it was stock
10 that had been initially issued to The Barclay Group?

11 "A. No, I would haven't known that at the
12 time -- at that time.

13 "Q. And was the fee that Mr. Comu was
14 paying to Bois d'Arc Partners that we have addressed in
15 these earlier exhibits, was that fee paid to Bois d'Arc
16 Partners in partial consideration for bringing these
17 investors to the table, bringing these investors and the
18 capital that you raised?

19 "A. It was described to me as consulting
20 fee for assisting the company.

21 "Q. And not for raising capital?

22 "A. No."

23 MR. SAROKHANIAN: Moving to Page 35, Line
24 25. And they will be referring to what had been
25 previously admitted without objection, I believe, KLM

1 Exhibit 31.

2 THE COURT: That has not yet been admitted
3 and there is an objection.

4 MR. SAROKHANIAN: There is an objection?

5 Thank you. Can we pull up 31, please?

6 Your Honor, this is an instruction from
7 Mr. Baxter, the deponent that we're excerpting from his
8 deposition, instruction from Mr. Baxter on behalf TBG
9 telling Old Monmouth stock transfer, stock and escrow
10 agent we were discussing earlier, to combine the wires
11 and to release them at the same time. So this is
12 probative and relevant under 727(d)(1) and (d)(2).

13 THE COURT: All right. Objection
14 overruled. KLM 31 is admitted.

15 MR. SAROKHANIAN: Starting back at Page 35,
16 Line 25.

17 "Q. So this instruction letter is the same
18 as those we've looked at which is letters you sent out
19 for instructions to Old Monmouth on fees to pay or
20 amounts to wire to the various entities listed; is that
21 right?

22 "A. That's correct.

23 "Q. This was again based upon instructions
24 received by Mr. Comu; is that correct?

25 "A. That's correct."

1 MR. SAROKHANIAN: Your Honor, I'm going to
2 move to Line 21. They are referring to what's been
3 previously admitted as Trustee's 56.

4 THE COURT: Okay.

5 "Q. Okay. I think you stated a moment ago
6 that you resigned about a week after this letter; is
7 that right?

8 "A. That's correct. January 11th, I
9 believe.

10 "Q. You resigned from The Barclay Group; is
11 that what you're saying?

12 "A. The Barclay Group, all companies
13 associated with The Barclay Group, Regus, any others
14 that were involved or were that part of his
15 organization.

16 "Q. And why did you resign?

17 "A. It was just time to go a different
18 direction. I wanted to go -- to get my securities
19 licenses back and do more what I consider more pure
20 investment banking.

21 "Q. During this time period, that is, when
22 you first started doing work for The Barclay Group in
23 2009 up to January 2012, were you also performing any
24 services for other businesses of Mr. Comu?

25 "A. I was evaluating projects. We had

1 other projects that came in. A lot of people were
2 seeking his services at that time to raise capital for
3 them or help them structure transactions. And part of
4 my job was to do that, too.

5 "Q. What particular companies associated
6 with Mr. Comu were you working for in addition to The
7 Barclay Group?

8 "A. Puration, which I think was a water
9 bottle company. There was a company that did some type
10 of -- I don't remember the name of it -- did some type
11 of electronic surveillance. I can't remember the name
12 of that company, a GPS tracking company. I can't
13 remember the name of that company either. Let me think.

14 "Q. These were all companies that Mr. Comu
15 had some involvement with in terms of --

16 "A. Usually companies that were seeking an
17 engagement.

18 "Q. With whom?

19 "A. Either The Barclay Group or Regus or
20 one of the others."

21 MR. SAROKHANIAN: Moving to Page 41, Line
22 15.

23 "Q. How was it you found out about this
24 lawsuit?

25 "A. Email -- oh, the case itself?

1 "Q. Yeah, the lawsuit. You said you didn't
2 find out about it until shortly after you left.

3 "A. Well, no, shortly before I left.

4 "Q. Okay. Shortly before.

5 "A. Shortly before I left. What happened
6 was one day he was on the phone with someone and it just
7 came out. I said, 'what is that?' And he mentioned,
8 you know, the case. I didn't know the specifics of the
9 case but he said, you know, I have a case before the
10 bankruptcy court. And I didn't know that up to that
11 point.

12 "Q. Did that have anything to do with your
13 leaving C.J.'s companies?

14 "A. Can't say totally, but you know, I'm
15 sure somewhere in the back of my mind it may have had
16 something to do with it.

17 "Q. Did he ever tell you that he was the
18 subject of a permanent SEC injunction?

19 "A. Didn't know that until June 2012."

20 MR. SAROKHANIAN: Moving to Page 43, Line
21 7.

22 "Q. And so what was it you actually saw, a
23 copy of the actual injunction, or a news release, or
24 what?

25 "A. Well, simply the guy Googled him and

1 all these things came up. I never Googled the guy
2 before so just never even thought about it.

3 "Q. Okay.

4 "A. So he did some exploration from that
5 point.

6 "Q. You mentioned Regus; is that Regus
7 Advisors?

8 "A. Yes. That was his other company, you
9 know, whoever owned it. I'm not sure who owned it. I'm
10 not sure who owns TBG.

11 "Q. Yeah. When did Regus Advisors come
12 about, to your knowledge?

13 "A. Some time in 2011.

14 "Q. And did C.J. ever tell you why he was
15 starting to use Regus instead of Barclay Group?

16 "A. No, I never asked.

17 "Q. He never gave you a reason for this new
18 company name?

19 "A. No."

20 MR. SAROKHANIAN: Moving to Line 15.

21 "Q. Okay. What was C.J.'s relationship
22 with Puration?

23 "A. He was one of the investors in Puration
24 also.

25 "Q. Has Puration ever done any business as

1 far as you know?

2 "A. It's starting to get better, I mean I'm
3 not attached to the company per se, but you know, from
4 the things I read and the musings on the street, you
5 know, they are starting to get themselves together.
6 Initially they had some issues with regard to the
7 product -- product launch. But I think they're past
8 that.

9 "Q. Do you have any idea how much capital
10 was raised for Puration with the assistance of The
11 Barclay Group and/or you?

12 "A. The Barclay Group, to my knowledge,
13 didn't participate at all in Puration's raise. It was
14 primarily through Regus. I personally raised about
15 probably 300 for them, including the 50 I put in myself.

16 "Q. Were there any LG bio fuel companies
17 that you were aware of that C.J. had any involvement in?

18 "A. I am aware of them, but I never had any
19 involvement in them.

20 "Q. I think there was one that was having
21 an algae farm with a solar device next to it and
22 desalination plant like every combined alternative
23 method of power altogether.

24 "A. Well, it was a sustainability project.
25 I know about the project because I do speeches around

1 different investment conferences on sustainability
2 investments. That's a project we never took any money
3 to."

4 MR. SAROKHANIAN: Moving to Page 46, Line
5 3.

6 "Q. Have you ever met C.J.'s brother or Jim
7 or Chem Comu?

8 "A. I met him at his birthday party.
9 That's the only time I have ever seen him.

10 "Q. And when was that?

11 "A. Wow. The only way I can go back and
12 find it is whenever the Pacquiao/Margarito fight was.
13 That was -- the party was that weekend. I don't know
14 what date that was. That's as close as I can get to it.

15 "Q. I don't either so --

16 "A. But that was that weekend.

17 "Q. All right. Do you know anything at all
18 about these trusts that were involved in the
19 distributions, money from Old Monmouth sales?

20 "A. No, the trusts -- the trusts, I didn't
21 even know they existed until we saw some of this stuff.
22 I mean I've heard -- I mean I've talked to Matt. I've
23 talked to his brother, you know, because those guys are
24 friends of mine. And they called me and said, 'hey, you
25 know, what do you know about this?' I don't know

1 anything about that. Plus I was gone, you know. It
2 made no sense for me to have any knowledge of the trusts
3 or relationships or anything else. I had no knowledge
4 of any of that."

5 MR. SAROKHANIAN: Moving to Line 11.

6 "Q. When you were working with C.J. back in
7 the '80s, '90s setting up foreign corporations, what
8 kind of countries were these corporations being set up
9 in?

10 "A. Mostly tax haven. We never actually
11 set up one though.

12 "Q. Okay. What were the tax havens that
13 you were talking about or considering?

14 "A. Caymans.

15 "Q. Did C.J. ever mention to you any
16 foreign, and by quote foreign, end quote, I mean out of
17 the U.S. companies or entities that he had an interest
18 in?

19 "A. One.

20 "Q. What was that?

21 "A. Euro American Capital Corp, which was
22 formed while I was at the firm, but it never had
23 anything in it. It was pretty much an empty company so
24 it had no assets, had nothing, for the most part.

25 "Q. Was that the same as Eurocap.

1 "A. Yeah, that's the same name.

2 "Q. Okay. Have you ever met anyone else
3 that supposedly owned an interest in The Barclay Group
4 other than C.J.?

5 "A. Kindly rephrase. I'm not sure what you
6 mean by that one. I never asked him who owned the
7 company or who owned stock in the company or who or what
8 the ultimate management of the company was. I just
9 never asked. I'll be honest. I trusted C.J.
10 implicitly, because I had known him for years. And I
11 didn't know all the other stuff. Obviously I trusted
12 him too much.

13 But all of these things right here -- all
14 of these things right here unknown to me at the time
15 until late -- well, when you saw that January 5 number,
16 that's when these things started coming to light. Still
17 at that point I didn't know the extent of what the
18 bankruptcy was, didn't know anything about the trusts,
19 so -- and I was pretty much gone by then."

20 MR. SAROKHANIAN: Moving to Page 49, Line
21 4.

22 "Q. Okay. And you previously mentioned
23 that when you used the title, quote, managing partner of
24 The Barclay Group, end quote, that was just for what
25 purpose?

1 "A. Everybody gave that name to everybody,
2 you know, a guy that got recruited, that was their
3 title.

4 "Q. And how many were there that were in
5 the office there at The Barclay Group during the period
6 of time that you were there?

7 "A. Just three.

8 "Q. Just you, C.J., and who else?

9 "A. Mervyn Price.

10 "Q. Who?

11 "A. Mervyn Price.

12 "Q. Mervyn Price. Do you have any idea
13 where Mervyn -- Mr. Price is these days?

14 "A. He should be somewhere around Dallas.
15 I haven't talked to Mervyn in two years, almost two
16 years."

17 MR. SAROKHANIAN: Moving to Page 51,
18 picking up at Line 5.

19 "Q. Do you know who the provider was for
20 the cell phone for the email service for The Barclay
21 Group?

22 "A. GoDaddy.

23 "Q. Did you have any administrative
24 involvement with GoDaddy?

25 "A. No, he set up all the emails. He set

1 up all the email protocols, and he set up all the
2 passwords.

3 "Q. And by he you mean C.J.?"

4 "A. Right."

5 MR. SAROKHANIAN: Moving to Page 52,
6 picking up at Line 14.

7 "Q. Now I think you were explaining,
8 correct me if I'm wrong, that there were some actual
9 sales of Green Automotive stock before the series of
10 transactions with Old Monmouth, was that correct?

11 "A. That's correct.

12 "Q. Okay. And when you were assisting in
13 those, was there a private placement memorandum that was
14 being distributed?

15 "A. To my knowledge, there was.

16 "Q. Okay. Did you ever see the private
17 placement memorandum for Green Automotive?

18 "A. No -- well, let me think for a moment.
19 I saw what appeared to be one, I'll put it that way, or
20 what I was told, but I'm not sure if it would be -- if
21 it actually was one or not. That's what I thought it
22 was, I'll put it that way."

23 MR. SAROKHANIAN: Moving to Line 16.

24 "Q. Okay. What recordkeeping was there,
25 if any, to determine who got copies of this batch of

1 papers relating to Green Automotive that was shown to
2 prospective buyers stock investors?

3 "A. That would have been TBG itself at the
4 time. C.J. kept all the records."

5 MR. SAROKHANIAN: Moving to Page 54, Line
6 1.

7 "Q. Did C.J. have someone handling the IT,
8 the technical aspects of running his computer system
9 there at the office?

10 "A. No.

11 "Q. So as far as you know he was managing
12 it himself?

13 "A. That's all I ever saw."

14 MR. SAROKHANIAN: Moving to Page 55, Line
15 4.

16 "Q. I believe you told us that during this
17 period of time that y'all were selling stock -- strike
18 that.

19 "A. I believe you told us that during this
20 period of time when y'all were raising capital for Green
21 Automotive and before the Old Monmouth transactions that
22 Barclay Group was getting between 20 and 25 percent as
23 his compensation for --

24 "A. I don't think it was as high as
25 25 percent.

1 "Q. Okay. What would be the correct
2 number?

3 "A. As far as I knew the maximum number was
4 20 percent. I didn't have any -- I don't have any proof
5 one way or the other what that number was, just --
6 that's just what I was told.

7 "Q. So you were told they were getting
8 20 percent in that -- out of the percentage that Barclay
9 Group -- The Barclay Group received, what would you
10 receive during that period of time?

11 "A. Anywhere from 10 to 50 percent of the
12 net fee."

13 MR. SAROKHANIAN: Moving to Page 56, Line
14 4.

15 "Q. When you were acting as a broker/dealer
16 in regular stock transactions, was there any kind of
17 legal maximum you're allowed to charge as a brokerage
18 commission?

19 "A. 15 percent.

20 "Q. Did it trouble you that you were told
21 Barclay was getting 20 percent --

22 "A. Not necessarily.

23 "Q. -- in its capital that was being
24 raised?

25 "A. They were doing a private transaction

1 of what people consider to be an aggressive position or
2 an aggressive investment. So my job was not to question
3 what he negotiated for himself. The company and him
4 negotiated together. Whatever they negotiated is what
5 the company paid, so I don't have -- I don't have any
6 say in that."

7 MR. SAROKHANIAN: Moving to Page 58, Line
8 7.

9 "Q. How many shares of Green Automotive
10 stock do you have?

11 "A. I don't know exactly. I have a bunch
12 of different certificates. I can go home and count them
13 up. I would say less than 300,000 or somewhere. I know
14 it's below that.

15 "Q. Are they being held in your name or
16 some other name?

17 "A. They are Bois d'Arc Partners name.

18 "Q. Okay.

19 "A. And they are restricted.

20 "Q. And who did you acquire those shares
21 from?

22 "A. C.J.

23 "Q. And what reporting, if any, was made to
24 the IRS for the value of those shares when they were
25 received?

1 "A. They were shown on the shares, I mean
2 they don't have a value for the most part. I mean as
3 far as I know the stock is worth nothing."

4 MR. SAROKHANIAN: Moving to Page 59, Line
5 1.

6 "Q. So you didn't report that as any
7 income, in other words, assess a dollar figure that,
8 quote, I received this amount of value, end quote?

9 "A. I will tell you what happened as far as
10 the stock is concerned.

11 "Q. All right.

12 "A. I paid \$78,000 to the IRS with regard
13 to taxes as far as the stock is concerned. So me and
14 the IRS are pretty square, because obviously you can't
15 sell the stock. As far as reporting is concerned, I
16 don't know what was put down. I just signed the tax
17 return and wrote the check. I'm not sure exactly what
18 the reporting technique is for stock compensation,
19 because I had never had any before.

20 "Q. When -- strike that. When did you
21 become aware that C.J. was planning to start using Old
22 Monmouth to assist in the stock sales for Green
23 Automotive?

24 "A. Probably the summer of maybe 2011.
25 That's just a guess. I'm not sure exactly what the date

1 was. It was one of those things where, you know, send
2 this to these guys."

3 MR. SAROKHANIAN: Moving to Page 60, Line
4 2.

5 "Q. Now, when you were answering some of
6 Mr. Elmquist's questions, there were a number of times
7 where you -- I think you used the phrase, quote, I
8 received a report, end quote, concerning how the money
9 was to be distributed. What form was this report?

10 "A. It came from C.J. Usually it was
11 verbal.

12 "Q. Okay. I think another time you said
13 90 percent of the time it was verbal.

14 "A. If it wasn't verbal, it meant that we
15 got a report from whoever he had as far as the selling
16 was concerned, whether it came from one of these guys or
17 Auric or whoever and then he passed it on to me.

18 "Q. Okay. And what happened to those
19 reports that were in writing or email communication that
20 he, C.J., passed on to you, what happened to those?

21 "A. He should have them, or you know, Matt
22 should have them."

23 MR. SAROKHANIAN: Moving to Page 61
24 starting on Line 1.

25 "Q. Okay. What about the ownership of the

1 stock. Were you aware that while the stock was being
2 cleared through Old Monmouth as transfer agent that some
3 of the transactions for selling stock owned by The
4 Barclay Group, some were by this entity, some were by
5 that entity?

6 "A. The only entity that I knew that was
7 actually selling stock was The Barclay Group. We had
8 gone to Block & Garden and received a legal opinion with
9 regard to the sale of the stock as far as Barclay Group
10 is concerned. And we were just following counsel's
11 orders at that point."

12 MR. SAROKHANIAN: Moving to Page 62, Line
13 19.

14 "Q. Did C.J. ever mention passwords for
15 Barclay Group information --

16 "A. No.

17 "Q -- that he kept on his computer?

18 "A. No. He had his own passwords. And
19 what he would do is create another user password for
20 anybody else that wanted to use it. But he had his own
21 password for his own stuff.

22 "Q. And he never shared those with you?

23 "A. I don't think he would share that with
24 anybody."

25 MR. SAROKHANIAN: Now, Your Honor, they're

1 going to be referring to Trustee's Exhibit 67, which
2 should be admitted.

3 THE COURT: Okay. It is.

4 "Q. Exhibit 4, if you want to look at it
5 there, please, sir, on the second page, there's a
6 reference for \$24,500 to Capital Asset Management
7 Partners, Inc. Did you ever talk to anybody with that
8 company?

9 "A. No.

10 "Q. Do you know who owns that company?

11 "A. I have no idea.

12 "Q. American Wealth Management Group, Inc.,
13 did you ever talk to anyone from that company?

14 "A. No.

15 "Q. And do you have any idea who owns that
16 company?

17 "A. No.

18 "Q. How about Millennium Marketing
19 Concepts, Inc., you ever talk to them --

20 "A. No.

21 "Q -- or know who owns that entity?

22 "A. No.

23 "Q. R Gallick, LLC, do you know who that
24 is?

25 "A. No."

1 MR. SAROKHANIAN: Moving to Page 65,
2 starting at Line 7.

3 "Q. All right. So if you were in New
4 York, how would you have gotten the information from
5 C.J.?

6 "A. Probably by phone.

7 "Q. Okay. And then you would have drafted
8 up something and sent it to C.J. and then he sent it on
9 to Matt, is that how you believe the sequence occurred
10 in this case?

11 "A. Yeah. This is a template. The only
12 thing I had to do -- excuse me -- was put the number --
13 put in the number.

14 "Q. Okay.

15 "A. All this other information was already
16 available in the template and we just changed the
17 template -- or changed the numbers in the template.

18 "Q. And then this has a so-called signature
19 for Edward Baxter. Is that an electronic facsimile that
20 would have been affixed by the program?

21 "A. I would say so, yes."

22 MR. SAROKHANIAN: Moving to Page 67,
23 starting on Line 24.

24 "Q. Yeah, I was going to ask you, Page 2
25 of the letter says this leaves such and such for fees.

1 Quote, we are in London, so we are a few hours ahead,
2 end quote. Who is we? Who were you in London with?

3 "A. C.J.

4 "Q. Okay. Why were y'all in London in
5 December of 2011?

6 "A. We were trying to take Eurocap public.
7 We were meeting with agents over there who could assist
8 us in that process.

9 "Q. Did anything ever come of that attempt?

10 "A. No.

11 "Q. What were the problems that you ran
12 into?

13 "A. Just couldn't capitalize the company.
14 That and he couldn't get liquidity as far as the company
15 was concerned. It was just not a good situation.

16 "Q. How was he trying to get liquidity for
17 Eurocap?

18 "A. I wasn't sure. He had a bunch of
19 meetings with guys that I wasn't with. You know, he had
20 this -- he had his meetings. I had my meetings. They
21 weren't necessarily together."

22 MR. SAROKHANIAN: Page 69, Line 20.

23 "Q. Okay. Did you ever discuss Eurocap
24 with C.J. after this trip to London?

25 "A. No. What happened was it just wasn't

1 working. And at that point, you know, I had already
2 made the decision, I was ready to go a different
3 direction anyway. It just happened a few weeks later."

4 MR. SAROKHANIAN: Moving along to Page 73,
5 Line 2.

6 "Q. I hand you Exhibit 13, which is
7 Troster Exhibit 8. Is that -- the top email there dated
8 June 30th, 2011, is that an email you sent to Matt
9 Troster?

10 "A. I'm assuming so. Looks like something
11 I would have written. It's a little bit different
12 format though.

13 "Q. In looking at this exhibit, can you
14 explain the sequence? First of all, on the top, was
15 that giving Matt the buyers for different wires that
16 were coming in?

17 "A. Yes.

18 "Q. Okay. So that was in response to his
19 email to you, 'Ed, who are the buyers associated with
20 these wires?'

21 "A. Yes.

22 "Q. Okay. Now, beside these buyers names
23 are some WWA numbers. Larkin is WWA 1534. Schweitzer
24 is 5591538. What did those WWA numbers signify?

25 "A. That would have been corresponding to a

1 report probably given to us from World Wide Auric.

2 "Q. So World Wide Auric would arrange a
3 sale and it would send a report to Barclay Group saying
4 we sold X number of shares to Larkin, he's paying such
5 and such, and this is transaction WWA 1534?

6 "A. Correct.

7 "Q. Did you ever receive any of those
8 instructions or reports from World Wide Auric?

9 "A. No. They came into the admin group and
10 then they were passed to me by C.J. Comu.

11 "Q. So did you ever see them, the
12 communications from World Wide Auric?

13 "A. There was no need to. I just got them
14 from C.J., and I did them.

15 "Q. Okay. But when you say you got them,
16 you mean he told you the numbers?

17 "A. Yes, you know, he would say, you know,
18 do this, this, and this, and that's what I did."

19 MR. SAROKHANIAN: Moving to Page 77, Line
20 18.

21 "Q. Now, there's a couple of new names here
22 Emanuel Unmouth (phonetic) Kohler at Banco National de
23 Costa Rica. Do you have any idea who Mr. Kohler is?

24 "A. Personally, no. He was just a new name
25 that showed up on the distribution list. And I recall

1 this one because it was a hassle getting ahold of that
2 bank.

3 "Q. Okay.

4 "A. It was difficult getting ahold of to
5 verify the banking information for these people, but you
6 know, subsequently it was verified.

7 "Q. Did C.J. ever tell you anything about
8 Emanuel Kohler, who he was or what he was doing?

9 "A. As far as I was concerned, he was part
10 of the network and I was just told to pay him.

11 "Q. And then on the next page of the
12 exhibit it says, 'please wire \$2,000 to Malcolm Van
13 Gelder.' And it's got an address in Spain. Do you know
14 who Malcolm Van Gelder is?

15 "A. Personally, no. As far as --
16 personally no. As I said, another guy, who I assume is
17 part of the network, and I was told to pay him."

18 MR. SAROKHANIAN: Now, Your Honor, they're
19 going to be referring to KLM Exhibit 43, which I don't
20 believe we have addressed yet. If we could have that
21 pulled up.

22 THE COURT: It has been.

23 MR. VITAL: No. It's admitted.

24 MR. SAROKHANIAN: It is admitted? Great.
25 Thank you, Your Honor.

1 "Q. Okay. Exhibit 16, is that another
2 distribution -- a set of distribution instructions you
3 sent to Matt Troster on November 10th, 2011?

4 "A. Yes, it is.

5 "Q. Now, this includes, if you look at Page
6 2, \$25,000 going to Block & Garden for their bank
7 account. Did C.J. tell you that there was some Barclay
8 Group legal fees that needed to be paid?

9 "A. Up until this point I don't think I had
10 heard of Block & Garden, but they were added to the
11 list, and I assumed that they had -- I assumed that they
12 had those fees, and that's what they were there for, so
13 I sent the money.

14 "Q. Did you ever talk to any of the
15 attorneys from Block & Garden?

16 "A. I talked to Chris McNeill.

17 "Q. In what connection did you talk to
18 Mr. McNeill?

19 "A. We were negotiating a poison pill that
20 was incorporated in one of the companies separate from
21 any of this that we felt like was cumbersome regarding
22 any investment. We wanted them to change that. Block &
23 Garden obviously was representing our side of that
24 point, so he negotiated that.

25 "Q. And what company did that involve?

1 "A. Puration.

2 "Q. Puration?"

3 MR. SAROKHANIAN: And I will move -- I will
4 strike that last one, Your Honor, on Line 16, and I will
5 move to Page 80, Line 4.

6 THE COURT: Okay.

7 "Q. And who is Dominic?

8 "A. He's the guy that ran World Wide Auric,
9 to my knowledge. He's kind of a guy you don't see or
10 hear from. He and C.J. have -- I assume they have some
11 kind of relationship because he's the guy who put
12 together the syndicate for these transactions or at that
13 time was attempting to.

14 "Q. Did you ever talk to Dominic on the
15 phone?

16 "A. Only when there was a problem with
17 money. He would call the office and C.J. would pass me
18 the phone and say, 'fix this'.

19 "Q. Okay. And what was his last name?

20 "A. Toscano.

21 "Q. Okay. Do you have any idea where he
22 was located, what country?

23 "A. He could have been in anywhere. He was
24 in Spain. He was in Germany. He was in the UK. He was
25 in Italy. I don't know how many residences he had. I

1 don't know what the physical address -- what his
2 physical address. Obviously, it was on a phone call
3 so..."

4 MR. SAROKHANIAN: Moving to Page 81, Line
5 8.

6 "Q. Did you ever meet -- did you ever meet
7 David Parsley?

8 "A. Yes.

9 "Q. Was he at The Barclay Group when you
10 were there?

11 "A. Yes. He came and went. I don't know
12 if he was actually there or not.

13 "Q. And what did Mr. Parsley do?

14 "A. He did accounting.

15 MR. SAROKHANIAN: Moving to Page 86, Line
16 10.

17 "Q. Here's a document that I don't have a
18 copy of, but it's Exhibit 68 to the Troster deposition.
19 It appears to be a letter dated December 29th, 2011 from
20 TKY Trust to Matt Troster. I do not see that it says a
21 copy to you. Did you ever see that or know anything
22 about TKY Trust giving instructions to Mr. Troster?

23 "A. No, because if I was on this one, one,
24 I would have gotten money out of it. Two, that font
25 doesn't look that familiar. So I'm not sure who that's

1 from or where it came from."

2 MR. SAROKHANIAN: Moving to Page 87, Line
3 .

4 "Q. Why is it -- why is it you left Barclay
5 Group?

6 "A. Two things. Number one, I felt like it
7 was the time to go a different direction. I just didn't
8 -- I was getting to the point I didn't feel comfortable
9 where I was. Because, like I said, I'm the author of a
10 certain book, and I didn't know everything. So I was in
11 the dark about stuff. Two, statute of limitations for
12 my securities licenses was coming up in December 2011.
13 And I either had to make an application to FINRA to
14 continue to have them or just let them completely drop
15 off. And I would have to re-qualify for six or seven
16 licenses or never have them again. So I made the
17 decision that I wanted to keep my licenses and go back
18 into the, quote, unquote, regulated world, and make sure
19 -- that was the only way I could keep my license. I
20 disavowed any connection to any non-FINRA related
21 organizations.

22 "Q. Were there any concerns that you had
23 about C.J. and the way he was doing business?

24 "A. No, I don't think so. I think that
25 after the fact, you know, March, February, April, you

1 know, at that point I realized that there might be some
2 issues. But I didn't know that -- what they were. But
3 that was after I found out about this, you know, once I
4 found out about this, I figured for some reason, you
5 know, this is occurring. I just didn't really
6 understand why. I didn't want to know why, because I
7 didn't feel like it was any of my business. And I
8 thought it was a personal issue."

9 MR. SAROKHANIAN: And I'm going to move to
10 Page 92, starting on Line 11. This is an examination by
11 Mr. Olson.

12 "Q. And it was the first time you had seen
13 him in approximately how long?

14 "A. Since '99.

15 "Q. Okay. How -- now, this mixer was when?

16 "A. Wow, I have no idea.

17 "Q. Ballpark.

18 "A. I would say late winter of 2009,
19 January, February, somewhere in that range."

20 MR. SAROKHANIAN: Moving to Page 93, Line
21 6.

22 "Q. And at that time what we now call Green
23 Auto actually had a different name, right?

24 "A. I think it did.

25 "Q. And at that time it was still private?

1 "A. Yes.

2 "Q. And at that time they wanted you to
3 help them raise capital for the company?

4 "A. Bear with me a second here.

5 "Q. Sure.

6 "A. I'm assuming so. Like I say, I don't
7 remember the exact date.

8 "Q. No, no, no. The point is when you
9 started working with them it was to raise capital for
10 the company?

11 "A. Right."

12 MR. SAROKHANIAN: Moving to Page 94, Line
13 12.

14 "Q. I understand. But at some point there
15 was some sort of merger. Do you remember that?

16 "A. He did that. It just kind of occurred
17 and all of a sudden it was there.

18 "Q. And now it's a public --

19 "A. Right.

20 "Q. -- company. And after it became a
21 public company, I believe your testimony to Mr. Lippe
22 was that after you never tried to sell any more
23 investors on putting capital into the company?

24 "A. No. There was no reason to do that at
25 that time.

1 "Q. But after the merger, TBG had a block
2 of Green Auto stock that it was holding that was
3 restricted, right?

4 "A. Correct.

5 "Q. And at some point TBG started selling
6 their stock?

7 "A. Correct.

8 "Q. And these exhibits that we have been
9 looking at today are instances where they were selling
10 stock?

11 "A. Correct.

12 "Q. Now, you got some money when the stock
13 was sold and that money went into Bois d'Arc?

14 "A. Correct.

15 "Q. Who was actually selling the stock for
16 TBG?

17 "A. That's what World Wide Auric did.

18 "Q. All right. And do you know how World
19 Wide Auric came to be involved in selling the stock?

20 "A. No. They just showed up one day. It
21 was a connection of his, and I have no idea how they
22 connected.

23 "Q. All right. Then as you look at the
24 distribution on these exhibits where you see the names
25 of other entities are getting money, other than the

1 sellers, what's those names relationship to World Wide
2 Auric?

3 "A. I have to assume they are part of his
4 syndicate."

5 MR. SAROKHANIAN: Moving to Line 14.

6 "Q. Yeah. Did C.J. have any connection
7 with World Wide Auric or any of those groups in that
8 syndicate?

9 "A. Not to my knowledge.

10 "Q. I think your testimony to Mr. Lippe was
11 sometimes the names under that selling group would
12 change because apparently they were involved or not
13 involved in a particular week's sales.

14 "A. Correct. They would come and go.

15 "Q. But that would just be given to you by
16 World Wide Auric?

17 "A. Whoever was selling that week, they
18 would give it to C.J. He would tell me what to do.

19 "Q. All right. Now, I believe your
20 testimony to Mr. Elmquist was during this time frame --
21 and we're in 2010, '11, you were doing other things for
22 The Barclay Group?

23 "A. Right.

24 "Q. About how much time a week did you
25 spend total doing various Barclay Group projects?

1 "A. Pretty much all of every day.

2 "Q. It was a full-time job.

3 "A. Yeah.

4 "Q. And yet the only time you got paid was
5 with commissions off of these sales of stock?

6 "A. Correct.

7 "Q. And sometimes Block & Garden got paid
8 with commissions or with proceeds from the sale of
9 stock?

10 "A. I don't know if that's the right
11 terminology, I think.

12 "Q. It wasn't a commission.

13 "A. Yeah.

14 "Q. But they got money from a sale?

15 "A. Yeah. Their fees were paid for
16 whatever we owed them or out of whatever we had.

17 "Q. The Barclay Group was having to sell
18 stock in order to keep going, to pay its overhead,
19 right?

20 "A. Yeah.

21 "Q. I mean you didn't have any other
22 money --

23 "A. No.

24 "Q. -- coming into The Barclay Group --

25 "A. No.

1 "Q. -- from anything else?"

2 MR. SAROKHANIAN: Can you answer that on
3 Line 7?

4 "A. No. There were no retainers. There
5 was no other form of income coming in at any time.
6 That's why we were scrambling to get other projects so
7 we could, you know..."

8 MR. SAROKHANIAN: Now, moving to Page 101.
9 And this is almost the end, Your Honor.

10 THE COURT: Okay.

11 MR. SAROKHANIAN: This is a question by
12 Mr. Elmquist.

13 "Q. Mr. Baxter" --

14 MR. SAROKHANIAN: And I'm starting on Line
15 15, Page 101.

16 "Q. Mr. Baxter, I just have a few more
17 questions. Okay. Nick and Dominic Toscano are the same
18 individual, right?

19 "A. To my knowledge, yes.

20 "Q. Okay. And is the address for World
21 Wide Auric in the Turks and Caicos Islands, do you know
22 anything about that location?

23 "A. No.

24 "Q. Okay.

25 "A. We never saw that address -- we never

1 saw the address."

2 MR. SAROKHANIAN: That concludes the
3 excerpts from Edward Baxter from the plaintiffs, Your
4 Honor.

5 THE COURT: All right. Does any other
6 party wish to put in deposition excerpts from the Edward
7 Baxter deposition?

8 MR. ELMQUIST: None from the trustee, Your
9 Honor.

10 THE COURT: All right. Mr. Olson.

11 MR. OLSON: Yes, ma'am. Several.

12 THE COURT: All right. You may proceed.

13 MR. OLSON: Starting with Page 4, Line 17
14 to 20.

15 THE COURT: All right. I have read those.

16 MR. OLSON: Page 6, Line 6 through 24.

17 THE COURT: Okay. I have read it.

18 MR. OLSON: Page 7, Line 17 through Page 8,
19 Line 10.

20 THE COURT: All right. I read it.

21 MR. OLSON: Page 20 -- I'm sorry -- I think
22 it would be Page 19 -- they've read that. Page 24.

23 THE COURT: Wait. Was there anything on
24 Page 19?

25 MR. OLSON: No, ma'am. They read that in.

1 THE COURT: Page 24.

2 MR. OLSON: Line 22 through Page 25, Line
3 10.

4 THE COURT: Okay. All right. I have read
5 it.

6 MR. OLSON: Page 26, Line 17 through Line
7 22.

8 THE COURT: Okay. I have read it.

9 MR. OLSON: Page 27, Line 17 through Page
10 33, Line 19.

11 THE COURT: All right. I have gone through
12 Page 33.

13 MR. OLSON: Page 34, Line 15 through Page
14 35, Line 24.

15 THE COURT: Let me ask -- I mean are you
16 wanting me basically to read the entire deposition?

17 MR. OLSON: That would suit me just fine,
18 yes, ma'am. I have skipped very little.

19 MS. HANKS: I wish we had done this, we
20 would have --

21 THE COURT: All right. Well, I tell you
22 what, during the lunch break I will read the entire
23 deposition.

24 MR. OLSON: Thank you.

25 THE COURT: All right. So all of the Ed

1 Baxter deposition will be considered by the Court.

2 All right. Let's take a 10-minute break.

3 And then I assume you're going to call a live witness
4 after this?

5 MR. SAROKHANIAN: We have one last short
6 deposition, and then we will be live.

7 THE COURT: All right. We'll take a
8 10-minute break. Come back at 11:30.

9 THE CLERK: All rise.

10 (Break taken.)

11 THE COURT: All right. Mr. Olson, you're
12 still standing. Did you have something you wanted to
13 say?

14 MR. OLSON: Yes, ma'am. It was pointed out
15 to me during the break that in these instances where
16 we're adding pages and lines to read, at least in the
17 depositions of Evans, Baxter, and Parsley, those were
18 not designated as exhibits by anybody. We just want to
19 make sure that they get into the record.

20 THE COURT: Well, I -- okay. But by
21 admitting them, are you wanting to expand what I
22 consider?

23 MR. OLSON: Well, for example, what
24 prompted that was when we took the break, you were going
25 to read Baxter in its entirety.

1 THE COURT: Correct.

2 MR. OLSON: But it wouldn't be in the
3 record because it wasn't read in. And again, I don't
4 care how we handle it, whatever is the most expeditious
5 way to make sure that we've got a record.

6 THE COURT: All right. Well, if you want
7 them marked and admitted as exhibits just to be sure
8 they make it into the record as opposed to just the
9 transcript of the reading by Mr. Vital, we can do that.

10 MR. OLSON: All right.

11 THE COURT: So I have -- again, I have
12 Bernard Brown. I have Steven Evans. I have Alvin
13 Dahl --

14 MR. OLSON: And those were all designated.

15 THE COURT: -- Edward Baxter. Those are
16 the four -- no --

17 MR. OLSON: Troster was designated.

18 THE COURT: And Troster.

19 MR. OLSON: Troster was an exhibit.

20 THE COURT: Troster was already an exhibit.

21 MR. OLSON: Dahl was an exhibit.

22 MS. HANKS: No.

23 MR. OLSON: No? We didn't read any
24 excerpts either from Dahl, did we?

25 THE COURT: From what?

1 MR. OLSON: Did we?

2 MR. SAROKHANIAN: We read some from Dahl.

3 MR. OLSON: No, but I mean I didn't ask for
4 any that weren't read aloud, I don't think.

5 THE COURT: All right. Well, just to make
6 it absolutely clear, I guess these get into the record.
7 Do you want to just -- we'll make these defendant's
8 exhibits, how's that, just to --

9 MR. OLSON: Well, I would like to make the
10 exhibit the exhibit by the party that took the
11 deposition. I didn't take any of these. But Evans, for
12 example, would be a plaintiff's exhibit. I think all
13 the rest of them are going to be trustee's exhibits.

14 MR. SAROKHANIAN: Your Honor, so we don't
15 take up additional time on this now, may I suggest that
16 we over lunch --

17 THE COURT: And decide what exhibit numbers
18 you want to give them.

19 MR. SAROKHANIAN: And how we want to --

20 THE COURT: Yeah, that's fine. All right.

21 Are plaintiffs ready to call their next
22 witness?

23 MR. SAROKHANIAN: We are, Your Honor. We
24 call David Parsley by deposition. And I promise it's
25 the last one.

1 THE COURT: All right. Now do I have a
2 copy of this?

3 MR. SAROKHANIAN: I can approach with a
4 copy. Thank you, Your Honor.

5 THE COURT: All right. Thank you.

6 MR. SAROKHANIAN: I'll be starting on Page
7 4, Line 15.

8 THE COURT: Okay. All right.

9 "Q. Yeah, that's not a problem. We will
10 be done before that. Okay. Let's start with a little
11 background. First of all, where are you currently
12 employed or with whom are you -- by whom are you
13 employed?

14 "A. I work really as a consultant, a 1099
15 employee for Mr. Comu -- or actually not for Mr. Comu,
16 but for the Regus Advisors.

17 "Q. Okay.

18 "A. And I also do the monthly accounting
19 workup for Regus and for The Barclay Group.

20 "Q. Okay. So you say you're a 1099
21 employee?

22 "A. I'm not on a payroll.

23 "Q. You're not on a payroll. But you
24 basically -- but you do basically contract work?

25 "A. Correct.

1 "Q. For Regus Advisors?

2 "A. Part-time, yes.

3 "Q. Okay. Part-time work?

4 "A. Right.

5 "Q. Okay. Do you have other employment
6 beyond the work you do for Regus?

7 "A. Not currently. But I can pick up other
8 jobs from time to time, but I don't currently."

9 MR. SAROKHANIAN: Moving to Page 6, Line 4.

10 "Q. Okay. And are you responsible for
11 maintaining any kind of business records or documents on
12 behalf of Regus Advisors or The Barclay Group?

13 "A. I'm responsible to prepare the monthly
14 financials."

15 MR. SAROKHANIAN: Moving to Page 8, Line
16 19.

17 "Q. And when did you start -- when did you
18 first start doing work for Mr. Comu?

19 "A. I actually started doing work, he asked
20 me in February of 2011 to help him assemble his
21 accounting data so he could prepare his taxes for 2010.
22 And then we also went back into 2009. So that's the
23 first time I actually did work for him, but I have known
24 him for a long time.

25 "Q. Okay. When did you first meet

1 Mr. Comu?

2 "A. 1985."

3 MR. SAROKHANIAN: Moving to Page 10, Line
4 7.

5 "Q. So the first time that you actually
6 worked with him after the time 1985 and '86 was in
7 February of 2011?

8 "A. Yes. When I prepared his -- helped do
9 his books for the first time.

10 "Q. And when you say, quote, his books, end
11 quote, what books?

12 "A. Well, I say the companies he was
13 associated with.

14 "Q. Okay.

15 "A. The Barclay Group.

16 "Q. Let's go through them.

17 "A. Okay.

18 "Q. Barclay Group.

19 "A. Yes.

20 "Q. Regus Realty Partners, LLC.

21 "A. Yes.

22 "Q. Regus Advisors --

23 "A. Yes.

24 "Q. -- Inc.

25 "A. Yes.

1 "Q. Regus Capital Fund, LP.

2 "A. Yes."

3 MR. SAROKHANIAN: Moving to Page 12, Line
4 2.

5 "Q. So the only ones you have done any work
6 for is The Barclay Group and various Regus entities?

7 "A. Right. Yes, sir.

8 "Q. Tell me what you did in connection with
9 getting the books and records of Barclay Group in order
10 to prepare tax returns.

11 "A. Well, I worked for the bank statements
12 and started with spreadsheets. That's the only thing I
13 had. Started entering every item from the bank
14 statements onto spreadsheets and then categorized
15 putting them into accounting categories as best I could.
16 And then I would ask him questions about, well, what is
17 this for, what is that for.

18 "Q. Were there business records to look at?

19 "A. He had sent no accounting records, per
20 se.

21 "Q. Okay. Were there any kind of business
22 records like billing invoices or --

23 "A. Not that I looked at I mean. I was
24 primarily doing this for the tax preparation and really
25 didn't need that information to do this for his

1 accounting."

2 MR. SAROKHANIAN: Your Honor, I'm going to
3 move to Page 16, starting on Line 23. They will be
4 referring to a document that has been previously
5 admitted as Trustee's Exhibit 24.

6 THE COURT: Okay.

7 MR. SAROKHANIAN: Trustee 24.

8 THE COURT: Okay.

9 "Q. And I think you indicated that in
10 terms of your preparing this spreadsheet, there were no
11 billing invoices associated with these payments?

12 "A. I did not have access to them, no.

13 "Q. Did you request those?

14 "A. No, I didn't even know there was --
15 there were such a thing at that time. I was working off
16 of basically trying to just assemble this for the
17 client's purposes.

18 "Q. All right. Well, let me ask you this:
19 Do you recall having any discussion with Mr. Comu one
20 way or another about whether there were backup documents
21 to support the payments that were made?

22 "A. No, I don't remember having any
23 discussions. I mean he had a lot of -- he would give me
24 a lot of information that he could remember but...

25 MR. SAROKHANIAN: Moving to Page 33, Line

1 20. And they are going to be referring, Your Honor, to
2 a document marked as Trustee 26 that's been previously
3 admitted.

4 THE COURT: Okay.

5 MR. VITAL: What page are we on?

6 MR. SAROKHANIAN: We're on Page 33,
7 starting Line 20.

8 "Q. On the first page of 59, on
9 September 13, 2011, there's an entry for a wire transfer
10 to Marathon Management. It says, quote, consulting fees
11 expenses, \$100,000, end quote. Do you see that?

12 "A. Yes, sir.

13 "Q. Do you have any information about that
14 expense from the standpoint of what, for instance, do
15 you know whether there's any kind of invoice or anything
16 that would indicate what the consulting fee expense was?

17 "A. I understand there was an agreement,
18 but I did not see it. The reason I had Marathon
19 Management consulting fees was because I asked what it
20 was for. But I did not take the time to actually look
21 at the source documents.

22 "Q. Okay. So the information here is
23 basically what Mr. Comu told you?

24 "A. Yes, sir."

25 MR. SAROKHANIAN: Moving to Line 21.

1 "Q. What about in general, the category of
2 consulting fee expense? Did you ever see any kind of
3 invoice or any document to substantiate the consulting
4 fee expense that was being paid to Marathon?

5 "A. No, sir. I didn't actually physically
6 see the document, no."

7 MR. SAROKHANIAN: On Page 35 we will be
8 going to Line 12.

9 "Q. In the name of -- in the name column
10 you have, quote, key man life, end quote. Do you know
11 what that refers to.

12 "A. That was for an insurance -- he told me
13 it was for an insurance policy he was buying. I know
14 what key man life is as a type of policy.

15 "Q. Did you see the policy?

16 "A. No, sir, I did not."

17 MR. SAROKHANIAN: Moving to Page 39, Line
18 17.

19 "Q. Are you familiar with what
20 professional services are performed by Marathon
21 Management?

22 "A. No, sir, I do not.

23 "Q. Are you familiar with what professional
24 services are provided by Regus Advisors?

25 "A. Yes, sir, I know what they -- I know

1 what kind of services they provide.

2 "Q. We will get to that. I tell you what,
3 let's go ahead and talk about it now. Tell me what
4 services are performed by Regus Advisors.

5 "A. From what I understand and have seen,
6 Regus Advisors works with companies that want to raise
7 money, that want to take their company public. And they
8 basically help them package this. They are very good at
9 their business, but they don't know how to approach and
10 take their company into public market -- into the public
11 market. And a lot of times they do need to be evaluated
12 in other words, what's your company worth. And other
13 times they will need somebody to come in and just
14 straighten out a problem. We also have quite a bit of
15 -- quite a list of experts that work in specific areas
16 that can go in and help solve problems. So it's not
17 just to help them move their company forward. But if
18 they do move their company forward, we want to make sure
19 it's working. So they will put people into positions on
20 their board of directors to help them get the company
21 cleaned up. A lot of documentation needs to be done.
22 And so there's various phases of that. They also work
23 on deals, fund-raising deals. There are a number of
24 different kinds of businesses from algae to Puration
25 water to -- so I would call it Rolodex. But group of

1 associates in business and he reaches out to them when
2 he needs an expert in this or he needs somebody that has
3 expertise in that. So that's kind of what Regus does.
4 It helps businesses when they don't have the internal
5 expertise. They can't afford it due to their size."

6 MR. SAROKHANIAN: Moving to Line 11 on Page
7 41. Okay. Let's talk about that a little bit.

8 "Q. Other man Mr. Comu, who have you dealt
9 with or interacted with as relates to Regus Advisors?

10 "A. Well, there's a Mervyn Price who has
11 quite an extensive business background. He's the
12 president of Regus Advisors."

13 MR. SAROKHANIAN: Moving to Page 42, Line
14 6.

15 "Q. The names you just mentioned, do you
16 know whether these individuals are employees of Regus
17 Advisors or are they just consultants?

18 "A. They are consultants right now. The
19 company is not big enough to -- just doesn't have -- we
20 don't have any formal payroll yet."

21 MR. SAROKHANIAN: Moving to Line 25.

22 "Q. How does the -- well, you gave me a
23 description of what Regus does. Are you familiar what
24 Barclay Group does?

25 "A. Not as much depth because it hasn't

1 been as active. It's primarily an investment banking
2 raising money and investing money in entities. It has a
3 different function than Regus. I mean it has a lot of
4 activity and traveling around, but as far as the deals,
5 they are more -- I call it beat on the street actively
6 pursuing work with Regus than with Barclay at the
7 moment.

8 "Q. Is there anyone at The Barclay Group
9 that you would interact with other than Mr. Comu?

10 "A. Not presently, no."

11 MR. SAROKHANIAN: Moving to Line 21.

12 "Q. What did Mr. Baxter do?

13 "A. In detail?

14 "Q. Well, in general.

15 "A. Well, he was -- he was part of the
16 fund-raising process for Barclay."

17 MR. SAROKHANIAN: Moving to Line 40 --
18 excuse me -- Page 45, Line 25.

19 "Q. Since you became more actively
20 involved in -- you had testified earlier about the fact
21 that you have starting in August of last year become
22 more actively involved in maintaining accounting records
23 for -- well, let's go back to that -- maintaining
24 accounting records for what entities?

25 "A. For The Barclay Group and Regus

1 Advisors.

2 "Q. Regus Advisors, Inc.?

3 "A. Yes, sir.

4 "Q. What do you know about the other Regus
5 entities? Have you had any -- have you been asked to
6 perform any services for Regus Realty Partners, LLC?

7 "A. And let's combine that with the other
8 Regus capital fund.

9 "Q. Right.

10 "A. Those were entities that were set up
11 for a project that never came to fruition. There's no
12 activity in either of those accounts. We set up bank
13 accounts, but it had no activity.

14 "Q. Okay.

15 "A. So yes. Yes and no. Yes, I helped set
16 them up, but no, there's been nothing to record."

17 MR. SAROKHANIAN: Moving to Page 53, Line
18 6.

19 "Q. Well, let me just ask this question.
20 With respect to cash withdrawals where there would be a
21 money order purchase, is there some kind of bank record
22 reflecting the remitter or, you know, what the purpose
23 was for that cash transaction that you have access to?

24 "A. No, that's been a problem that I have
25 been trying to solve, you know, it's -- you will see

1 it's happening less and less as time goes by."

2 MR. SAROKHANIAN: Moving to Page 61, Line
3 12.

4 "Q. Okay. Going back to the amount to
5 distribute. How was the amount determined? How was the
6 allocation determined between The Barclay Group and TKY
7 Trust?

8 "A. There was a percentage agreed upon and
9 we usually tried to keep it as close to those
10 percentages. Sometimes we got rounded numbers.

11 "Q. You say there was a percentage agreed
12 upon. Tell me what you know about that.

13 "A. I was just told it would be between 12
14 and 15 percent, depending on the amount for TBG.

15 "Q. So it's your understanding that there
16 was a predetermined percentage allocation between The
17 Barclay Group and TKY Trust?

18 "A. Yes.

19 "Q. As relates to how to distribute the net
20 proceeds from the stock sale?

21 "A. Yes.

22 "Q. And that was based on a conversation
23 you had with Mr. Comu?

24 "A. Yes, sir."

25 MR. SAROKHANIAN: Moving to Page 63, Line

1 22.

2 "Q. On the right side you have a comment,
3 "must tie to total ISO distribution report". Do you see
4 that?

5 "A. Yes, sir.

6 "Q. What is the ISO distribution report?

7 "A. Well, that's on this -- that's what
8 these two are. One is from the ISOS and one's from the
9 Old Monmouth. That's why you will notice they are not
10 in the same order."

11 MR. SAROKHANIAN: Moving to Line 10.

12 "Q. Do you know how the amount due each ISO
13 was determined from transaction to transaction? Was it
14 a percentage?

15 "A. It's a percentage of the sale they have
16 based on, I think, price.

17 "Q. Was there a predetermined and agreed
18 upon percentage fee payable to each ISO?

19 "A. I believe there was. I have not ever
20 seen that agreement, but I believe there was.

21 "Q. In part four there's a net to
22 distribute to The Barclay Group and Daptco Trust. How
23 was the amount of the -- how was this allocation
24 determined, if you know?

25 "A. I was actually told in these cases when

1 they are very small amounts, they weren't done by
2 percentage. They would agree on how much would be split
3 -- I mean we would have to get a minimum just to cover
4 our expenses. So it was not always a solid percent like
5 it would be on a large transaction. Doesn't have to
6 have a minimum.

7 "Q. So the numbers reflected here were
8 basically the numbers you were provided by Mr. Comu?

9 "A. Yes, sir. He would always review this
10 and talk to Mr. Jim and they would work out -- work that
11 out between them.

12 "Q. Was a distribution spreadsheet prepared
13 in advance of the disbursement of funds?

14 "A. Oh, yes. That's how we calculated the
15 distribution.

16 "Q. So basically you would start with the
17 spreadsheet as a means for determining who got what?

18 "A. Yes, sir.

19 "Q. And you would review that with Mr.
20 Comu?

21 "A. Yes, sir.

22 "Q. And he would provide input with respect
23 to allocation between The Barclay Group and the Daptco
24 Trust or the TKY Trust?

25 "A. Yes, sir."

1 MR. SAROKHANIAN: That concludes the
2 excerpts from Mr. Parsley's deposition from the
3 plaintiffs, Your Honor.

4 THE COURT: All right. Any other party
5 wish to put in additional excerpts?

6 MR. ELMQUIST: Your Honor, actually I do.
7 On page 58, Line 20 through 23.

8 THE COURT: Okay. All right. I have
9 reviewed that.

10 Mr. Olson.

11 MR. OLSON: Yes, ma'am, I have several.

12 THE COURT: All right.

13 MR. OLSON: Not the entire deposition.

14 THE COURT: Okay. You may proceed.

15 MR. OLSON: Page 5, Line 14 through Page 6,
16 Line 3.

17 THE COURT: All right. What else?

18 MR. OLSON: Page 6, Line 9 through Page 7,
19 Line 8.

20 THE COURT: Okay.

21 MR. OLSON: Page 34, Line 13 through Line
22 20.

23 THE COURT: All right.

24 MR. OLSON: Page 41, Line 5 through Line
25 10.

1 THE COURT: Okay.

2 MR. OLSON: Page 41, Line 17 through Page
3 42, Line 5.

4 THE COURT: Okay.

5 MR. OLSON: Page 43, Line 13 through Line
6 20.

7 THE COURT: Okay.

8 MR. OLSON: Page 44, Line 1 through Line 9.

9 THE COURT: Okay.

10 MR. OLSON: Page 65, Line 22 through Page
11 66, Line 12.

12 THE COURT: All right.

13 Plaintiffs, are you ready to call your next
14 witness?

15 MS. HANKS: We are, Your Honor.

16 MR. VITAL: It's not me.

17 THE COURT: Good. We need a break from
18 you.

19 MR. VITAL: I need a break from myself.

20 THE COURT: Okay.

21 MR. SAROKHANIAN: Your Honor, the
22 plaintiffs are calling Christopher McNeill.

23 THE COURT: All right, Christopher McNeill.
24 All right. Welcome back, Mr. McNeill. If you could
25 approach the witness stand and raise your right hand to

1 be sworn.

2 THE WITNESS: Right here?

3 THE COURT: Yes.

4 CHRISTOPHER MCNEILL,

5 having been first duly sworn, testified as follows:

6 THE COURT: All right.

7 DIRECT EXAMINATION

8 BY MS. HANKS:

9 Q. Mr. McNeill, could you please state your name
10 for the record?

11 A. Christopher Mills McNeill.

12 Q. And how do you spell your last name?

13 A. M-C-N-E-I-L-L.

14 Q. And you are an attorney; is that correct?

15 A. That's correct.

16 Q. And with whom do you work?

17 A. Block & Garden, LLP.

18 Q. Are you a partner with Block & Garden?

19 A. Yes.

20 Q. And how long have you been with Block & Garden?

21 A. Since the firm was established in May 2007.

22 Q. And in your role at Block & Garden, have you
23 had occasion to do business with Mr. Comu, Mr. C.J.
24 Comu?

25 A. Yes, we represent The Barclay Group.

1 Q. Do you currently represent The Barclay Group?

2 A. Yes.

3 Q. You do? And when did that representation
4 begin?

5 A. I don't know the exact date. Probably 2008 or
6 2009.

7 Q. And what was the first project that you did for
8 The Barclay Group?

9 A. I don't recall specifically. It could have
10 been -- could have been a project relating to Green
11 Automotive.

12 Q. And that would be referencing the Green
13 Automotive merger that occurred in late 2009?

14 A. Yes.

15 Q. And in that capacity, are you testifying that
16 you represented The Barclay Group?

17 A. Correct.

18 Q. Okay. And you were retained in advance of the
19 merger transaction by The Barclay Group?

20 A. I believe that's correct, yes.

21 Q. And what services did Block & Garden perform on
22 behalf of The Barclay Group, specific to the Green Auto
23 transaction, if you can recall?

24 A. Okay. Can we clarify for the record? Has The
25 Barclay Group waived the attorney/client privilege with

1 respect to my testimony?

2 Q. Most of what we're asking about is a matter of
3 public record. In fact, some of it is a matter of
4 stipulation, but I assume if there's an issue that's
5 subject to privilege that Mr. Olson will object.

6 MR. OLSON: We will waive it, if that makes
7 anybody feel better.

8 THE COURT: All right.

9 Q. (BY MS. HANKS) I don't think we will ask you
10 anything that's not -- I mean all of these are public
11 transactions, are they not?

12 A. No, not necessarily.

13 Q. Was Green Auto a public transaction?

14 A. Part of it.

15 Q. Part of it?

16 A. Yes.

17 Q. Okay. And what part of it was not a public
18 transaction?

19 A. The initial acquisition of the controlling
20 stock of Ganas Corp.

21 Q. It's pronounced Ganas?

22 A. I don't know for sure.

23 Q. I've always said Ganas, but tomato-tomato. So
24 you're referencing The Barclay Group's acquisition of
25 Ganas Corp. in October of 2009; is that correct?

1 A. Yes.

2 Q. Okay. What I'm going to do is move a little
3 bit ahead here since you have raised this, and I will
4 tell you that a number of these, you know, are subject
5 -- that I'm going to ask you about are the subject of
6 stipulated facts.

7 A. Okay.

8 Q. And so -- but I do think that it's helpful to
9 the Court and to the parties since you were involved in
10 this transaction -- is that correct -- you assisted
11 Barclay Group personally in this transaction with the
12 documents and all of that?

13 A. That's correct.

14 Q. So I would just like to walk through it real
15 quick to get, you know, a little context for the Court
16 regarding the transaction. Now, you referred to a
17 corporation called Ganas. As I understand it that's
18 G-A-N-A-S Corp; is that correct?

19 A. Yes.

20 Q. And that was a Delaware corporation?

21 A. I believe so.

22 Q. And they were a reporting corporation, but they
23 weren't operating at the time, is that correct?

24 A. I believe they may have been reporting under
25 the pink sheets.

1 Q. Okay.

2 A. I don't believe they were reporting with the
3 SEC.

4 Q. Okay. And could you just describe the --
5 explain the distinction.

6 A. Yes. There's what's known as the pink sheet
7 markets, over-the-counter markets I think is the formal
8 term, where stock although not registered with the SEC
9 may be traded between buyers if certain information
10 required under SEC rules is made available under the
11 purview of a broker.

12 Q. Okay. And what is the difference between just,
13 generally speaking, a company that reports on the OTC
14 bulletin -- is that the correct term?

15 A. Yes.

16 Q. On the pink sheets versus a company that's SEC
17 reporting.

18 A. Typically the SEC reporting requirements are
19 much more comprehensive.

20 Q. Okay. And when you say comprehensive, do you
21 mean more volume or more rigor?

22 A. You have more frequent filings typically. Also
23 you have more items that you may need to disclose.

24 Q. I see. So there's less disclosure requirements
25 for a company that's reporting on the OTC?

1 A. I believe so.

2 Q. (Inaudible).

3 A. I'm not -- wouldn't hold myself out to be an
4 OTC disclosure expert.

5 Q. Okay. And is that one of the reasons that you
6 tend to see stocks with -- well, you hear penny stocks,
7 that term sort of thrown around. Stocks that have very
8 small price but high volume of trading. Do you tend to
9 see those a lot on the pink sheets?

10 A. Again, I don't closely follow pink sheets, but
11 that's my understanding.

12 Q. Okay, thanks. And now, the Green Auto merger
13 was a reverse merger; is that correct?

14 A. Bear with me a second. It's been several
15 years.

16 Q. Of course. In fact, tell you what --

17 MS. HANKS: If we could pull up Trustee
18 Exhibit 19, please.

19 Q. (BY MS. HANKS) It will come up on the screen.
20 Do you recognize this document?

21 A. Yes.

22 Q. And do you recognize this to be the merger
23 agreement and plan of reorganization between Go Green,
24 LLC and Ganas Corp with The Barclay Group, Inc., as a
25 party?

1 A. That's what it looks like from the first page,
2 yes.

3 Q. Okay.

4 MS. HANKS: And could you scroll to the
5 signature page, please?

6 Q. (BY MS. HANKS) And here we have the signature
7 page. Do you recognize the signatories to the
8 agreement?

9 A. Yes, I recognize these names.

10 Q. And so please correct me if I'm stating this
11 not correctly, but C.J. Comu here is executing this
12 document as president of Ganas Corp.; is that correct?

13 A. That's what it reflects.

14 Q. And he is also executing this merger agreement
15 as president of The Barclay Group; is that correct?

16 A. That's what the document reflects, yes.

17 MS. HANKS: Okay. Could you go to the top,
18 please?

19 Q. (BY MS. HANKS) And the date of this agreement
20 is November 4th, 2009; is that correct?

21 A. Yes, that's what the document reflects.

22 Q. Okay. Does this refresh your recollection at
23 all with regards to the nature of the merger?

24 A. Yes. But I don't -- the term reverse merger is
25 a tax term which --

1 Q. I tell you what, let me offer a more lay law
2 term and see if this comports with your understanding.
3 Go Green, LLC, an operating entity, was merged into the
4 operating shell of Ganas Corp. Ganas Corp. changed its
5 name to Green Automotive Company Corporation immediately
6 following the merger and then issued stock certificates
7 to the former Go Green shareholders and to new
8 shareholders, including The Barclay Group. Does that
9 sound familiar?

10 A. Yes, I'm not -- I don't recall specifically
11 about issuing new shares to shareholders, but yes, Go
12 Green LLC was merged into Ganas Corp. Ganas Corp.
13 survived the merger under the new name Green Automotive
14 Company Corporation, and shares of stock were issued to
15 the equity owners or members of Go Green, LLC, yes.

16 Q. Okay. So I'm going to back up a little bit to
17 the weeks leading up to the merger. As I understand,
18 you assisted with the drafting and revision of the
19 merger agreement documents; is that correct?

20 A. That's correct.

21 MS. HANKS: Could you please pull up KLM
22 Exhibit 249?

23 I'm not sure if there's an objection to
24 this, Your Honor.

25 MR. VITAL: What's the number?

1 MS. HANKS: KLM Exhibit 249.

2 MR. VITAL: There's no objection.

3 THE COURT: It's been admitted.

4 Q. (BY MS. HANKS) Do you recognize this email,
5 Mr. McNeill?

6 A. I don't recall this one specifically, but I see
7 that it appears that I sent it out in October 2009.

8 Q. Okay. And what does the subject of the email
9 appear to be?

10 A. Ganas Corp.

11 Q. And this is the shell that we were just
12 speaking of; is that correct?

13 A. Yes.

14 Q. And based on your email, the language in your
15 email, what is the purpose, what is attached to it and
16 what is this agreement supposed to be?

17 A. A stock purchase agreement pursuant to which
18 The Barclay Group would acquire 100 percent of the issue
19 in outstanding capital stock of Ganas Corp.

20 Q. Okay. And is this the private side of the
21 transaction you referred to just a bit ago?

22 A. Yes.

23 Q. Okay. So The Barclay Group acquired or
24 intended to acquire 100 percent of the outstanding
25 common stock of this shell entity called Ganas Corp., a

1 Delaware corporation; is that correct?

2 A. Yes.

3 Q. Okay. And what was the purpose of acquiring
4 that stock?

5 A. So that it would control the shell and it could
6 then use it to conduct the merger with Go Green or
7 another company like Go Green that was looking to go
8 public through the pink sheets.

9 Q. Okay. And I don't think we need to look at the
10 agreement on this one.

11 MS. HANKS: Actually if you will go to KLM
12 Exhibit 250, please.

13 Q. (BY MS. HANKS) And KLM Exhibit 250 is an email
14 from you to C.J. Comu and Stephen Block. As I
15 understand he's one of your partners; is that correct --

16 A. That's correct.

17 Q. -- at Block & Garden. Dated October 15th,
18 2009, and it's CC'd to Dave Welch. Who is Dave Welch,
19 do you recall?

20 A. If I recall correctly, he was one of the
21 individuals involved with Green Automotive.

22 Q. He was -- when you say Green Automotive -- when
23 you say Green Automotive, do you mean Green Automotive
24 the surviving company after the merger or do you mean
25 before the merger?

1 A. At this time it would have been the Go Green,
2 LLC prior to the merger.

3 Q. Okay. So you think that Dave Welch was
4 involved with Go Green, LLC?

5 A. Best I recall, yes.

6 Q. If you could look at the body of your email,
7 please. And your email is directed to C.J.; is that
8 correct?

9 A. Yes.

10 Q. And it says "at the closing of the merger, The
11 Barclay Group, Inc. will own the 95,746,817 shares
12 currently outstanding?

13 A. I see that.

14 Q. And is that referring to the outstanding common
15 stock in Ganas Corp.?

16 A. That would have been the shares that The
17 Barclay Group purchased that were already outstanding in
18 Ganas Corp., yes.

19 Q. And if I understand correctly, those are
20 different from -- those are the shares in Ganas Corp.,
21 the shell, that's different from the equity held by the
22 owners of Go Green, LLC that was going to be merged into
23 the shell; is that correct?

24 A. Correct.

25 Q. Okay. So we've got two different buckets.

1 We've got the Go Green owners, you know, shares,
2 whatever percentage that is and we've got TBG's Ganas'
3 shares; is that correct?

4 A. Correct.

5 Q. Okay. Now here you say -- and I think the
6 second sentence there is talking about what I just
7 mentioned about there being a distinction between the
8 shares owned by Go Green, LLC and the shares acquired by
9 TBG?

10 A. Yes. The Barclay Group would retain the shares
11 that it owned and then new shares would be issued to Go
12 Green's members in connection with the merger.

13 Q. Okay. Thank you. Now, the last sentence in
14 that first paragraph starting with, "accordingly", could
15 you please read that?

16 A. "Accordingly, if the 95,746,817 shares held by
17 Barclay will represent 40 percent post merger then the
18 Go Green members must receive 143,620,225 newly issued
19 shares for a total of 239,367,042 shares issued in
20 outstanding post merger.

21 Q. Okay. Now, why -- do you recall why there was
22 a discussion about 40 percent post merger?

23 A. Not specifically, no.

24 Q. You don't? Okay.

25 MS. HANKS: If you could please pull up KLM

1 Exhibit 251. And could you please scroll down a bit to
2 the beginning of that email string? Okay.

3 Q. (BY MS. HANKS) And just for context here,
4 earlier in the email string there's an email from you to
5 C.J. Comu at gmail.com. That's C.J.'s email address,
6 Mr. Comu's email address; is that correct?

7 A. I believe so, yes.

8 Q. And it is attaching an initial draft of the
9 merger agreement between Ganas Corp. and Go Green, USA?

10 A. That's what the email states, yes.

11 Q. And in response to this email --

12 MS. HANKS: If you could please move up.

13 Q. (BY MS. HANKS) Or a subsequent email indicates
14 that you made some revisions to the stock purchase
15 agreement whereby Barclay Group was going to be
16 acquiring stock; is that correct?

17 A. No, I don't believe so. I believe this refers
18 to a change I made to the merger agreement.

19 Q. Okay. And this is where you reference "I
20 deleted one clause that contemplated that Ganas
21 stockholder approval is required" and your -- and that's
22 referencing stockholder approval of the merger
23 agreement?

24 A. Yes.

25 Q. Okay.

1 MS. HANKS: And if you could go up to see
2 Mr. Comu's response and the final reply by Mr. McNeill.

3 Q. (BY MS. HANKS) Mr. Comu acknowledges this.
4 And I'm -- I would like to understand what you meant by
5 this -- by your response, if you can remember. You said
6 that there was a minor drafting inconsistency when you
7 were looking at suggestions from Mr. Comu. And that
8 your -- I believe what this is trying to say, and I'm
9 not trying to testify, but it was a strategic way to
10 minimize The Barclay Group's risk and maximize the value
11 of its 40 percent in Go Green post merger. Do you have
12 any recollection about what that's referring to?

13 A. I truly don't.

14 Q. But there was a strategy to make sure that TBG
15 retained 40 percent interest in Green Auto?

16 A. I do recall that was one piece of the document,
17 yes.

18 Q. Okay. And all this was happening in October
19 of 2009?

20 A. Yes.

21 Q. Okay. And Mr. Comu was actively involved in
22 that process?

23 A. Yes.

24 Q. Was he the point person in the merger
25 discussions?

1 A. He was my point person.

2 Q. Okay. Did he bring the deal to Block & Garden
3 and retain you to help with the agreement?

4 A. Yes.

5 Q. Did he facilitate communication with the other
6 parties in terms of distributing agreements and drafts?

7 A. I don't recall.

8 MS. HANKS: If you go to 291, please.

9 Q. (BY MS. HANKS) And before I do this, let me
10 ask you a question. There were some -- your
11 understanding of The Barclay Group's legal name, is it
12 The Barclay Group, Inc.?

13 A. That's my understanding, yes.

14 Q. There were some documents that were drafted for
15 "Barclay Group, Inc.", and some that were drafted for
16 "The Barclay Group, Inc.", was that intentional or a
17 mistake, do you remember?

18 A. That would likely have been an unintentional
19 discrepancy.

20 Q. Okay. This is Mr. Comu's response to your
21 email concerning the outstanding shares the segregation
22 of shares between Go Green owners and TBG or the Ganas
23 shares, which had been -- which were going to be
24 acquired by TGB if I understand your previous testimony,
25 the documents correctly.

1 A. Yes. At this point it may have already been
2 acquired, I don't remember the exact date.

3 Q. I'm not sure it has, but we will get to that in
4 just a second. Okay.

5 MS. HANKS: So just one more. If you go to
6 292, please, and then we will quickly walk through the
7 documents on the merger.

8 Q. (BY MS. HANKS) Okay. Here Mr. Comu -- well,
9 please read the email and tell us what this email is
10 telling you.

11 A. Okay.

12 Q. This is getting close to closing; is that
13 correct?

14 A. Yes, closing or at least finalization of the
15 former, the documents for closing.

16 Q. Okay. And Mr. Comu's meeting with both -- he's
17 obviously discussing with you contracts to purchase the
18 Ganias shares, but he's also meeting with the Go Green
19 management team which is the entity that's merged into
20 Ganias; is that correct?

21 A. Yes, that's what the email reflects.

22 Q. So he's taking a significant role on both sides
23 of the transaction; is that correct?

24 A. Yes.

25 Q. I think we've shown you Exhibit 19, which is

1 the merger agreement that was dated on November 4th.

2 MS. HANKS: But quickly, if we could go to
3 Trustee Exhibit 78 -- or actually, I'm sorry -- Trustee
4 Exhibit 74. It's up here.

5 Q. (BY MS. HANKS) This is a stock purchase
6 agreement with respect to Ganas Corp. between Barclay
7 Group, Inc. and Rountree & Associates. Do you recall
8 this agreement?

9 A. Yes.

10 Q. And it's dated October 26, 2009; is that
11 correct?

12 A. Yes. That's what it reflects.

13 MS. HANKS: Could you go down please.

14 Q. (BY MS. HANKS) And could you identify the
15 amount of shares that are being purchased by The Barclay
16 Group, Inc. by virtue of this agreement?

17 A. It reflects \$3.5 million shares.

18 Q. And do you know the return consideration for
19 that?

20 A. I would have to look further along in this
21 document.

22 MS. HANKS: The top of the next page.
23 There we go.

24 THE WITNESS: Would you mind scrolling up
25 so it covers that entire sentence?

1 A. It looks like the consideration was a
2 promissory note in the original principal amount of
3 \$25,000.

4 Q. Okay. And by virtue of that, acquires
5 3.5 million shares?

6 A. Yes.

7 Q. Is that correct?

8 A. That was the consideration for those shares.

9 Q. Okay.

10 MS. HANKS: Trustee Exhibit 75, please.

11 Q. (BY MS. HANKS) This is the second stock
12 purchase agreement regarding Ganas Corp., again, with
13 Barclay Group, Inc. And in your view, you think that's
14 probably a mistake that it was identified as "Barclay
15 Group, Inc." and not "The Barclay Group, Inc."?

16 A. Yes, the two names are interchangeable in my --
17 as far as I know.

18 Q. Okay. And again, this is dated October 26,
19 2009; is that correct?

20 A. That's what it states, yes.

21 MS. HANKS: Could you move down a little
22 bit, please?

23 Q. (BY MS. HANKS) And what is the total number of
24 shares being acquired by virtue of this agreement?

25 A. 91,920,116.

1 MS. HANKS: And if you could go down,
2 please, to the next page, please.

3 Q. (BY MS. HANKS) And the purchase price?

4 A. \$75,000 in the aggregate.

5 Q. So with the addition of the \$25,000 that was
6 being paid to Rountree & Associates, there's about
7 \$100,000 being paid for the outstanding shares of Ganas
8 Corp.; is that correct?

9 A. That's what these two documents reflect.

10 Q. Okay.

11 MS. HANKS: And could you go to the
12 signatory page, please?

13 Q. (BY MS. HANKS) Do you recall this document
14 being executed by Mr. Comu?

15 A. Yes, I believe so.

16 MS. HANKS: There we go.

17 Q. (BY MS. HANKS) And the buyer's identified as
18 Barclay Group, Inc., C.J. Comu, president?

19 A. That's what this reflects, yes.

20 Q. Okay. And so we've got two stock purchase
21 agreements 95 million shares approximately in Ganas
22 Corp. on October 26; is that correct, summarizing?

23 A. Yes, that's what these documents reflect.

24 MS. HANKS: Okay. If we could go to
25 Trustee Exhibit 80 and 81, please.

1 Q. (BY MS. HANKS) Okay. If you can take a quick
2 look at KLM Exhibit 80 and KLM Exhibit 81 and describe
3 for the court what these documents are doing.

4 A. Okay. This was after The Barclay Group had
5 acquired ownership of a majority of the outstanding
6 stock of Ganas Corp. Exhibit 81 is The Barclay Group in
7 its capacity as the majority stockholder electing two
8 directors, C.J. Comu and Saul -- I can't quite.

9 Q. Albom, is that possible A-L-B-O-M?

10 A. Yes, something like that, as the two directors
11 of the company.

12 Q. Okay. So Mr. Comu is executing a document as a
13 director of Ganas Corp. that elects him as president of
14 Ganas Corp.?

15 A. Sorry. I was looking at 81 first.

16 Q. I apologize.

17 A. Because actually 81 comes first in the time
18 line.

19 Q. Okay.

20 A. In 81, The Barclay Group -- Mr. Comu is
21 executing on behalf of The Barclay Group in his capacity
22 as the majority stockholder to elect Mr. Comu and
23 Mr. Albom as directors.

24 Q. Okay.

25 A. Then next in sequence is Exhibit 80 pursuant to

1 which those two individuals as the directors of Ganas
2 Corp. appointed Mr. Comu as president and Mr. Albom as
3 secretary of Ganas Corp..

4 Q. Okay. So how do you know which one does come
5 first, because Mr. Comu executes the document that
6 appoints -- in which he's appointed as a director and he
7 also executes the document in which he's appointed as
8 president and he executes in the alternative capacity?

9 A. Well, Exhibit 80 reflects Mr. Comu's and
10 Mr. Albom's -- are citing in their capacity as
11 directors.

12 Q. Okay.

13 A. And they would not have the authority to sign
14 in that capacity but for Exhibit 81 which was signed
15 first which designated them as directors.

16 Q. Okay. Thank you. So as of October 28th, 2009,
17 Mr. Comu has been elected president and director of
18 Ganas Corp.; is that correct?

19 A. Yes, that's correct.

20 Q. Okay. Now we have looked at Trustee Exhibit 19
21 which is the merger agreement.

22 MS. HANKS: If we could look at Trustee
23 Exhibit 79 and 78, please.

24 And if you would show the signature line on
25 both of those documents, if possible.